

**INTEGRATED  
DEVELOPMENT PLAN  
(IDP)  
  
OF THE  
  
KAROO HOOGLAND  
MUNICIPALITY  
  
2017-2022**





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# VISION

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Karoo Hoogland will be an economical growth node in the Northern Cape, earmarked by active community participation. Council must create an environment that will enhance economic development with specific focus on poverty alleviation and the creation of direct and indirect job opportunities.

# MISSION

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Provide local leadership on environmental sustainability and climate change response. As an authority that delivers municipal services to Karoo Hoogland municipal jurisdiction, we attempt, by means of a motivated staff, to develop Karoo Hoogland municipal jurisdiction increasingly as a pleasant, safe and affordable living and workplace for its residents - and a hospitable and relaxed visiting place for its visitors.



## ABBREVIATIONS

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<b>AIDS:</b>	Acquired Immune Deficiency Syndrome
<b>BBBEE:</b>	Broad Based Black Economic Empowerment
<b>CAPEX:</b>	Capital Expenditure
<b>CDW'S:</b>	Community Development Worker
<b>DEAT:</b>	Department of Economic Affairs and Tourism
<b>DM:</b>	District Municipality
<b>DOL:</b>	Department of Labour
<b>DOT:</b>	Department of Transport
<b>DOP:</b>	Department of Public Works
<b>DWA:</b>	Department of Water Affairs
<b>EMF:</b>	Environmental Management Framework
<b>ES:</b>	Equitable Shares
<b>EPWP:</b>	Expanded Public Works Framework
<b>FBS:</b>	Free Basic Services
<b>GAMAP:</b>	Generally Accepted Municipal Accounting Principles
<b>GDP:</b>	Gross Domestic Product
<b>GDS:</b>	Growth and Development Strategy
<b>GIS:</b>	Geographical Information System
<b>HH:</b>	Household
<b>HIV:</b>	Human Immunodeficiency Virus
<b>IDP:</b>	Integrated Development Plan
<b>IDP-RF:</b>	Integrated Development Planning Representative Forum
<b>IGR:</b>	Intergovernmental Relations
<b>IT:</b>	Information Technology
<b>KPA:</b>	Key Performance Areas

<b>KPI:</b>	Key Performance Indicator
<b>LED:</b>	Local Economic Development
<b>LGMSA:</b>	Local Government Municipal Systems Act
<b>LUMS:</b>	Land Use Management System
<b>M and E:</b>	Monitoring and Evaluation
<b>MSCOA:</b>	Municipal Regulations on Standard Chart of Accounts
<b>NDM:</b>	Namaqua District Municipality
<b>NLDTF:</b>	National Lottery Distribution Trust Fund
<b>NRF:</b>	National Research Foundation
<b>SKA:</b>	Square Kilometer Array
<b>MSCOA:</b>	MUNICIPAL STANDARD CHARTER OF ACCOUNTS

# INTRODUCTION

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## FOREWORD BY THE MAYOR

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As the newly elected Mayor on 19 August 2016, I confirm that our aim is to build the capacity of Karoo Hoogland Local Municipality to facilitate effective transparent governance and sustainability so that Council is able to meet its community's needs consequently.

Due to the Elections on 3 August 2016 the new Council inherited an already approved Budget for 2016/2017 and received a Qualified Opinion on the Audit Report.

Financially the municipality is in a stable condition. The new Councillors attended an Induction course in municipal affairs.

Reflecting back on the previous years the municipality is sustainable and services were rendered to the various towns and communities.

Meetings were held with the community regarding the IDP and Budget. Council also held community meetings before their Council meetings in each ward. Only a few ward committee meetings were held in three of the wards during the year. During November 2017 and April 2018 Budget and IDP meetings were held in the respective wards of the municipality.

During this programme the Council visits all the wards in the Municipal jurisdiction and interact with the community in the following manners: Sector meetings e.g. Meetings with the youth bodies, businesses and church organisations. Door to door assessment of the conditions of the residents (profile assessment form)  
Community meetings

In trying to adhere to the projections of the National Development plan we as Karoo Hoogland Municipality have worked on projects to render services to our people with specific reverence to bulk infrastructure.

I want to emphasize that socio economic development is a high priority and the three programs namely the Community Works Program, One Hectare One Household and One Ward One Rural Ward One Integrated Development Centre will assist council to tackle the social injustices faced by our local communities. This programs was adopted as part of the 2017-2018 Integrated Development Plan.

The vision and mission of Karoo Hoogland Municipality must always be in our minds as the Council strives to reach a higher goal.

Ms VC Wentzel (Mayor)  
Mayor

## FOREWORD BY THE MUNICIPAL MANAGER

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Core components of the Integrated Development Plan is the vision for long term development of the Municipality with special emphasis on the Municipality's most critical development and internal transformation needs.

The various plans and strategies of Karoo Hoogland Municipality outline the importance of socio and economic challenges in the communities of Karoo Hoogland but identify solutions for these challenges.

This Integrated Development Plan can only reach its full potential with the involvement of the different spheres of government with emphasis on co-operative governance to ensure the implementation of the IDP.

I want to thank the communities and stakeholders involve participating in the process of consultation and dialog and were critical in identifying the needs of the people.

The 2015/2016 Financial Year ended in a spectacular way as the municipality, for the first time, received an award in Clean Administration from IMFO. It is also the second year that the municipality received a Qualified Audit Opinion. Service delivery of a good standard were achieved and debt collection provided the needed cash to ensure it.

The municipality is achieving most of its goals as was anticipated the previous year. When comparing the Management Letter from the 2014/2015 Financial year to the 2015/2016 Financial year, the items/qualifications reported by the Auditor General decreased from 5 to 2(only Investment property & PPE). 4 of the matters raised in 2014/2015 financial year were satisfactory dealt with and addressed. (Commitments, Cash Flow, Taxes, Fruitless)

An Organogram with job descriptions that was task evaluated were completed after three years. Outstanding financial issues of the previous year were addressed. Various policies and by-laws were revised, rewritten and approved. Attention were given to infrastructure within the budget of the municipality. The Medium Term Strategic Framework states that improvements in Service Delivery have to be complimented by effective accountability to the community.

In line with the Batho Pele Principles, which serves to ensure effective and efficient service delivery, it is therefore critical to identify areas that need improvement in order to serve all communities with integrity and excellence.

The Management wish to express its appreciation to the political leadership for the opportunities that they gave us to serve the people of Karoo Hoogland. The personnel's efforts in implementing the municipality's mandate are able to contribute to make a difference in the quality of the lives of our community.

Mr JJ Fortuin  
Municipal Manager

# CHAPTER ONE:

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## 1.1 EXECUTIVE SUMMARY

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The Local Government Systems Act (MSA) No.32 of 2000 as amended, and other relevant supplementary legislative and policy frameworks require that Local Government structures prepare Integrated Development Plans (IDP's). In compliance with this legislation Karoo Hoogland Municipality IDP provides the strategic framework that guides the municipalities planning and budgeting over the course of political term.

The current IDP is an annual document which is the first review to assess and re-evaluate the municipality's development priorities and challenges and to accommodate new developments in the local governance proses. This document encapsulates the completed processes as part of the review of the IDP 2018 to 2019 to the Karoo Hoogland Local Municipalities.

The IDP development process identified a number of goals and objectives that are aimed at creating a pathway for the municipalities to realise its vision. These goals and objectives are aligned to the Local Government Key Performance Areas (KPA's) as prescribed by the National Department of Cooperative Governance And Traditional Affairs (CoGTA).

The IDP review process will identify a number of goals and objectives that are aimed at creating a pathway for the municipality to realize its vision.

The IDP is a principle strategic planning instrument which guides and informs the following process in a municipality;

- planning,
- budgeting,
- Management and decision-process in a municipality.
- Taking Section 25 and 34 of the Municipal Systems Act (32 of 2000) in consideration, Karoo Hoogland Municipality embarked on this IDP Phase, which addressed the following
- Comments received during IDP Hearings and IDP engagement meetings with Provincial Sector Departments
- Alignment of the IDP with the Provincial Growth and Development Strategy (PGDS) as well as with the National Planning documents
- Areas identified through self-assessment i.e. strengthening of public participation structures;
- The compilation of all outstanding Plans and Programmes;
- The reviewing and updating of existing plans and programmes
- The compilation and implementation of the Service Delivery Budget Implementation Plan (SDBIP) according to the MFMA
- Updating of priority issues, objectives, strategies and projects

Climate change is predicted to negatively impact on the agricultural sector in Namakwa District Municipality. Increased temperatures, drought, and the increase in frequency and

severity of storm events will impact on the crops that can be grown and potentially result in a loss of livestock.

The proposed priority responses in the Agriculture Sector are:

1. Provide solar panels for use of borehole water.
2. Assist farmers to implement soil erosion mitigation measures.
3. Develop education and awareness campaigns directed at small scale and commercial farmers.

## **Biodiversity and Environment**

Changes in climate are predicted to result in the shifting of bioregions across South Africa. It is forecast that under different climate scenarios that the District Municipal Area will get hotter and drier leading to a loss of Nama-Karoo and Fynbos biomes, and an increase of the Desert biome. This change will lead to the consequent shift in related ecosystems and vegetation.

The proposed priority responses in the Biodiversity and Environmental Sector are:

1. Commission research aimed at collecting and documenting traditional knowledge on the loss of biomes in the District.
2. Conduct community engagements in collaboration with Conservation South Africa and Department of Agriculture Forestry and Fisheries to promote participatory planning in farming communities.
3. Develop natural resource management programmes such as grazing, river and wetland rehabilitation programmes in collaboration with Conservation South Africa, Biodiversity Social Projects, and Department of Environmental Affairs Working for Water and Working for Wetland

## **Human Health**

There are a number of different ways that climate change will impact on human health in the Namakwa District Municipality. Projected increases in temperatures due to climate change will result in increased heat stress and impact particularly on the young and elderly, and those working outdoors. Furthermore, favourable conditions for the incubation and transmission of waterborne diseases may be created by increasing air and water temperatures.

The proposed priority responses in the Human Health Sector are:

1. Conduct awareness campaigns that will inform communities on innovative PPE to prevent heat stress.
2. Educate communities and schools on preventative measures on communicable diseases through the existing District Environmental Health and Department of Health Promotion Unit Programmes.
3. Implement alternative water purification methods in collaboration with the District Environmental Health and Department of Health Promotion Unit.

## **Human Settlements**

There are a number of different ways that climate change will impact on human settlements in the Namakwa District Municipal Area. Increases in the severity of storm events and increase in flooding will damage infrastructure which may result in a loss of industrial productivity and service delivery disruptions. In addition, communities in rural areas that depend on subsistence farming may be unable to grow crops that they have grown in the past due to the changing climate. It is predicted that there will therefore be an increase in rates of rural-urban migration. Rural communities may also become more physically isolated due to extreme events impacting on key infrastructure. In addition, income in the tourism industry may decrease as biodiversity and tourism related infrastructure may be negatively impacted on by climate change.

The proposed priority responses in the Human Settlements Sector are:

1. Develop an early warning system directly linked to the South African Weather Services.
2. Implement the Namakwa Renewable Energy Strategy which supports the use of renewable energy as an alternative energy source to traditional energy sources, and consider it in new planning of new housing projects (installation of solar geysers).
3. Develop policies that will look at the paving and maintenance of road infrastructure in the District Municipal Area.

## **Water**

Namakwa District Municipality is currently experiencing issues of water scarcity and quality. Climate change is expected to exacerbate this problem. Drought, reduced runoff, increased evaporation, and an increase in flood events will impact on both water quality and quantity.

The proposed priority responses in the Water Sector are:

1. Upgrade all wastewater treatment works and water purification plants in the District Municipal Area.
2. Review and implement by-laws.
3. Investigate the feasibility of a desalination plant in Port Nolloth.

## **Cross-cutting factors**

In addition to the sector focused projects, a number of cross-cutting institutional responses were identified based on two previous vulnerability assessments for the District. These vulnerability assessments were conducted in 2012 (Bourne et al. 2012) and 2015 by Conservation South Africa (Bourne et al. 2015). Furthermore through LGCCS stakeholder engagements it was established that Namakwa District Municipality does not currently have enough resources and capacity to coordinate and manage climate change responses across sectors within the District. Institutional capacity, and resources, including finances, are required.

The proposed cross-cutting priority responses are:

1. Mainstream climate change into the Local and Municipality IDPs.
2. Establish a monitoring and evaluation system to measure the implementation of the climate change response plan.
3. Encourage community participation through innovative climate change adaptation methods (e.g. “bring a hat”).
4. Ensure that Disaster Management Plans adhere to the amended climate change

## CHAPTER TWO: IDP REVIEW PROCESS

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The Municipal Systems Act of 2000, Section 35 states that an integrated development plan (IDP) adopted by the Council of a municipality is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality. The IDP process also provides an opportunity for the municipality to debate and agree on a long term vision for the development of the municipality. Among the core components of an IDP, the following matters must also be outlined in the IDP:

- the municipal Council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- an assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- the Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- the Council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- the Council's operational strategies;
- applicable disaster management plans;
- a financial plan, which must include a budget projection for at least the next three years; and
- The key performance indicators and performance targets determined in terms of the Performance Management System.

## 2.1 NATIONAL AND PROVINCIAL PRIORITIES

There is multitude of government policy frameworks, legislation, guidelines and regulations that seek to advocate for the path pace and direction for the country's socio economic development.

**Table 1: Legislations and policies that guide the development of the IDP**

<ul style="list-style-type: none"> <li>• The Constitution of the Republic of South Africa (1996)</li> <li>• White paper on Local Government (1998)</li> <li>• Municipal Demarcation Board (1998)</li> <li>• Municipal Systems Act of 2000</li> <li>• Municipal Structure Act of 1998</li> <li>• Municipal Finance Management Act (2003)</li> <li>• National Property Rates Act (2004)</li> <li>• National Transport Act (2000)</li> <li>• Empowerment Equity Act (2004)</li> <li>• Skills Development Act</li> <li>• White Paper on Spatial Planning</li> <li>• White Paper on Safety and Security</li> </ul>	<ul style="list-style-type: none"> <li>• White paper on Environmental Management</li> <li>• Millennium Development Goals</li> <li>• 12 Outcomes of Local Government</li> <li>• Integrated Sustainable Rural Development Strategy</li> <li>• Industrial Strategy for RSA</li> <li>• The National Youth Development Agency (2008)</li> <li>• Domestic Tourism Strategy (2004-2007)</li> <li>• National Development Plan 2030</li> <li>• Disaster Management Act 57 of 2002</li> <li>• Northern Cape Provincial Growth and Development Strategy</li> </ul>
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	<ul style="list-style-type: none"> <li>• Integrated Urban Development Framework</li> <li>• District Integrated Development Plan</li> </ul>
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In order to ensure that there is proper alignment between the strategic direction of the municipality it is necessary to keep National and Provincial priorities in mind during the review of the strategic intent of the municipality.

- Constitution of the Republic of South Africa
- Millennium Development Goals
- National Development Plan Vision 2030
- National Government Outcome 9
- Northern Cape Growth and Development Strategy
- District Growth and Development Strategy
- Integrated Urban Development Framework and 2016 -2019 Implementation Plan

Key points arising from these documents are summarized below

## **2.2 BILL OF RIGHTS (CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA)**

- The Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in the country and affirms the democratic values of human dignity; equality and freedom;
- The statement must respect, protect, promote and fulfill the rights in the bill of rights;
- The rights in the bill of rights are subjected to the limitations contained or referred for in section 36 or elsewhere in the bill.

## **2.3 MILLENNIUM DEVELOPMENT GOALS**

The Millennium Development Goals are as follows;

- Develop a global partnership for development and eradicate extreme poverty and hunger;
- Ensure environment sustainability;
- Reduce child mortality improve maternal health and combat HIV/AIDS and other diseases;
- Promote gender equality and empower women;
- Achieve universal primary education;

## **2.4 NATIONAL DEVELOPMENT PLAN - 2030**

The National Development Plan developed by the National Planning Commission and unveiled on 11 November 2011 states that:

“South Africa can eliminate poverty and reduce inequality by 2030. It will require change hard work leadership and unity our goal is to improve the life chances of all South Africans but those young people who presently live in poverty. The plan asks for a major change in how we go about our lives. In the past we expected government to do things for us. What

South Africa needs is for all of us to be active citizens and to work together – government, business, communities – so that people have what they need to live the lives they would like”

The plan helps us to chart a new course. It focuses on putting in place the things that people need to grasp opportunities such as education and public transport and to broaden the opportunities through economic growth and the availability of jobs. Everything in the plan is aimed at reducing poverty and inequality. Our view is that government should shift the balance of spending towards programmes that help people improve their own lives and those of their children and the communities they live in.

South Africa can become the country we want it to become. It is possible to get rid of poverty and reduce inequality in 20 years. We have the people, the goodwill, the skills, the resources – and now, a plan. This will be achieved by prioritising the following initiatives:

Enabling milestones are:

- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.
- Increase the share of national income of the bottom 40 percent from 6 percent to 10 percent.
- Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.
- Broaden ownership of assets to historically disadvantaged groups.
- Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write.
- Provide affordable access to quality health care while promoting health and wellbeing.
- Establish effective, safe and affordable public transport.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- Ensure that all South Africans have access to clean running water in their homes.
- Make high-speed broadband internet universally available at competitive prices.
- Realise a food trade surplus, with one-third produced by small-scale farmers or households.
- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.
- Realise a developmental, capable and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration and human rights.
- An economy that will create more jobs

- Improving infrastructure
- Transition to a low-carbon economy
- An inclusive and integrated rural economy
- Reversing the spatial effect of apartheid
- Improving quality of education, training and innovation
- Quality health care for all
- Social protection
- Building safer communities
- Reforming the public service
- Fighting corruption
- Transforming society and uniting the country

## **2.5 NATIONAL GOVERNMENT OUTCOME 9**

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Cabinet approved government performance monitoring and evaluation system and the management for outcomes. This includes 12 outcomes that collectively address the main strategic priorities of government.

Outcome 9, “A responsive, accountable, effective and efficient local government system”, specifically deals with local government and also needs to be aligned and integrated in other national, provincial, district priorities and strategies. The Delivery Agreement for Outcome 93 identifies the following 7 outputs with sub outputs that are linked to Outcome 9 and are as follows:

- Output 1: Implement a differentiated approach to municipal financing, planning and support
  - Policy framework for differentiation
  - More autonomy to six metros and top 21 municipalities in respect of infrastructure and housing delivery
  - A focused intervention for clearly defined smaller municipalities
- Output 2: Improved access to basic services
  - Increased access to basic services
  - Bulk infrastructure fund established
  - Established special purpose vehicle
- Output 3: Implement the community work programme and cooperatives supported
  - Job creation supported through the community work programme
  - Job creation supported through the establishment of cooperatives where feasible
- Output 4: Actions supported by the human settlement outcomes
  - Increased densities in Metro's and large town supported
  - Land acquisition for low income and affordable housing supported
  - Informal settlements in 45 priority municipalities upgraded

- Output 5: Deepened democracy through a refined ward committee model
  - Review and strengthen the legislative framework for Ward Committees and community participation
  - Support measures to ensure that 90% of ward are fully functional by 2014
- Output 6: Improved municipal financial and administrative capacity
  - Improved audit outcomes of municipalities
  - Reduced municipal debt
  - Municipal overspending on Opex reduced
  - Municipal under spending on Capex reduced
  - Municipalities spending less than 5% of Opex on repairs and maintenance reduced
  - Improved administrative and human resource management practices
- Output 7: Single window of coordination
  - Review local government legislation
  - Coordinated support, monitoring and intervention in provinces and municipalities

## **2.6 INTEGRATED URBAN DEVELOPMENT FRAMEWORK CORE ELEMENTS**

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The IUDF's overall outcome – **spatial transformation** reversing the inefficient spatial patterns in a way that promotes both social and economic development while protecting.

The IUDF proposes 3C growth model = **compact connected** and **coordinated** cities and towns as opposed to fragmented development.

**Land, transport, housing, and jobs** are key structuring elements critical for the attainment of the outcome.

**The overall objectives is to create efficient urban spaces by:**

- Reducing travel cost and distances
- Aligning land use transport planning and housing
- Preventing development of housing in marginal areas
- Increasing urban densities and reducing sprawl
- Shifts jobs and investment towards dense peripheral townships
- Improve public transport and the coordination between transport modes

**Rural urban interdependency**, recognize the need for a more comprehensive integrated approach to urban development that responds to both urban and the rural environments.

**Urban resilience**, or disaster risk reduction and mitigation interventions in the planning and management of urban areas.

**Urban safety**, particularly safety in public are essential ingredients for creating liveable and prosperous cities.

### Reaping the URBAN DIVIDEND



### The new Urban Agenda

- Coordinated Investments in people and places
- Focus on solutions for equal cities
- Priorities actions

### Includes short term (2016-2019)

Short term priorities linked to current MTSF and identification of priority municipalities

- proposed projects to be reviewed every 3 years to monitor progress, readjust or reprioritise
- Identified strategies and action plans fall into two broad groups:
  - **Establishing the legislative, policy and planning environments for the IUDF. A national committee is required to drive the identified objectives and actions that reports regularly into the relevant national structure(s) on progress made.**
  - **Implementing at a municipal level objectives and actions, according to a differentiated framework.**
- implementation plan includes activities and projects that are already in progress as well as proposals of new priorities and projects
- Some of these **projects may already be monitored** and reported on in terms of the various departmental outcomes, while others will require additional establishment, monitoring and reporting mechanisms.
- The lead department/ institution is identified for each project proposed

### Short term priorities includes:

- A list of priority municipalities (97 in total) and key action plans.

### **Criteria used to priorities municipalities**

#### **Spatial Scale**

- all municipalities with at least an urban population of 45000 people,
- fast-growing municipalities, particularly as a result of mining activities
- 97 municipalities identified accommodate over 75% of the population of South Africa

#### **Demographic Scale and Growth**

- Identified municipalities constitute the areas in which highest densities are found-having over 500 persons per square kilometre)

#### **Economic Context**

- financial and economic model promoting sustainability and a means to address the poor and indigent
- different scenarios across the cities (combinations of poverty and unemployment) requires the need for solutions packaged to local context.

#### **Service Delivery and Backlogs**

- Diagnostic survey of the current state of each of these urban areas will be undertaken to ensure that short-term priorities in the action plans are properly focused.

### **How will this work be undertaken, monitored and evaluated?**

- Provincial departments responsible for local government, DCoG will finalise the priority areas and action plans for individual municipalities, against which the IUDF implementation will be monitored and evaluated.
- **Identify and implement strategic interventions** in the identified intermediary, medium and small towns to strengthen planning, governance and economic development in line with the Back to Basics Programme and existing strategic government programmes.
- Develop **spatial contracts for key restructuring zones** in metropolitan municipalities and intermediate cities
- Develop and **implement a model(s) to improve integrated planning in secondary cities** to promote spatial integration and economic development.
- Finalise a model/framework/protocols to fast-track **release and acquisition of state-owned** land key for spatial transformation.
- Develop and implement a framework to **improve alignment and coordination between various SIPs** and other strategic initiatives impacting on urban spaces.
- Upscale the **implementation of the red tape reduction** in priority municipalities.

## **2.7 NORTHERN CAPE GROWTH AND DEVELOPMENT STRATEGY**

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The Northern Cape Growth and Development Strategy main objective for development planning in the Province are;

- a. Promoting the growth diversification and transformation of the provincial economy
- b. Poverty reduction through social development



- c. Developing requisite levels of human and social capital
- d. Improving the efficiency and effectiveness of governance and other development institutions
- e. Enhancing infrastructure for economic growth and social development

Northern Cape Local Economic Development Strategy investigated the options and opportunities available to broaden the Local Economic base of the Province in order to promote the creation of employment opportunities and the resultant spin-off effects throughout the Local Economy. Areas of opportunity included.

- a. Livestock products
- b. Game Farming
- c. Horticulture
- e. Ago related industries
- f. Tourism
- g. Manganese and Iron Ore
- h. Beneficiation of minerals
- i. Renewable energy

## **2.8 DISTRICT POLICY OBJECTIVES WITHIN ECONOMIC DEVELOPMENT**

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Namakwa District Integrated Development Plan Key Performance areas;

- a. Municipal Transformation and Organisational Development
- b. Basic Service Delivery and Infrastructure
- c. Local Economic Development
- d. Municipal Financial Viability and Management
- e. Good Governance and Public Participation

The Namakwa District Municipality Local Economic Development Strategy identifies various opportunities (projects and programmes) namely:

- a. Institutional Development
- b. SMME Development
- c. Agricultural Sector Development
- d. Mining Sector Development (including the benefaction projects One Stop Mining Centre and the implementation of new technologies)
- e. Industrial Development
- f. Renewable Energy Development (including wind, wave, solar, and biogas energy)
- g. Space Research and Development
- h. Tourism Development
- i. Quality of Life Improvement

## **2.9 POWERS AND FUNCTIONS OF KAROO HOOGLAND MUNICIPALITY**

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The Karoo Hoogland Municipality was established in 2000. Karoo Hoogland is a category B municipality as determined in terms of Municipal Structures Act (1998).



Karoo Hoogland is a municipality with a Collective Executive System as contemplated in Section 2(a) of the Northern Province Determination of Types of Municipalities Act (2000).

The establishment of the municipality fulfilled the local government transformation process as articulated by the White Paper on Local Government, 1998. The White Paper envisaged the form and nature of new local government structures in the country. The new local government structures are mandated to improve the quality of life of their citizens and resident.

In terms of its category B status the Karoo Hoogland Municipality has been empowered to perform the following functions as bestowed upon it by the Constitution in terms of section 156(1) and the division of powers and functions.

Municipal Functions/District		
Municipal Functions	Function Applicable To Municipality	District
Water Provision	✓	
Waste Water (Sanitation)	✓	
Electricity Provision	✓	
Waste Management	✓	
Housing	✓	
Free Basic Services	✓	
Road Transport	✓	
Waste Water Storm Water Drainage	✓	
Community Social Services	✓	
Museums	✓	
Cemeteries	✓	
Environmental Protection	✓	
Health	✓	
Health Inspections and Abattoir		✓
Security and Safety		✓
Sport and Recreation	✓	
Disaster Management		✓
Air pollution		✓
Building regulations		✓
Firefighting services		✓

Municipal Functions/District		
Municipal Functions	Function Applicable To Municipality	District
Local tourism	✓	
Municipal planning	✓	
Trading regulations	✓	
Control of public nuisances	✓	

Fencing and fences	✓	
Licensing and control of undertaking that sell food to the public	✓	
Municipal Parks	✓	
Waste Water Storm Water Drainage	✓	

## 2.10 IDP ENGAGEMENT REPORT BY THE MEC

Karoo Hoogland Municipality values the IDP engagement conducted by the MEC COGHSTA as an important part of the IDP process and credibility of the document. Karoo Hoogland Municipality was found to maintain the improvements in previous financial years. The retention of improvements within the municipality including assistance from the provincial sector departments. The assessment on done by the Department of Environmental Affairs “As your IDP shows it is linked with strategies, projects/programs or programs indicate; financial provisions into capital and operational budget for growth and development; the IDP is supported by relevant sector plans and there is evidence of development and or use of environmental planning tools’ it is that you scored a rating of 4 (Very Good +65 – 75%).

## 2.11 NATIONAL AND PROVINCIAL PRONOUNCEMENTS

### New Deal of the President

#### 1. Jobs Summit

A Jobs Summit will be convened in the next few months, to help address youth unemployment. The summit should provide practical solutions. This includes ensuring economic growth, better equipped workers and the expansion of economic infrastructure.

#### 2. Investment conference

The investment conference, to be organised within the next three months, should target both domestic and international investors.

#### 3. Revive the manufacturing sector

Ramaphosa said the decline in the sector will be addressed and that the re-industrialisation of the economy will create jobs. “We are going to promote greater investment in key manufacturing sectors through the strategic use of incentives and other measures,” he said. Government will also introduce a localisation programme for products like textiles, furniture and water meters to be locally procured. Part of this includes leveraging off special economic zones, to attract foreign and domestic investment to establish industrial hubs and build industrial capabilities, he explained.

#### 4. Supporting black industrialists

There will also be efforts to support black industrialists, investment to develop small businesses in townships and rural areas and open up markets for black entrants through competition policy.

### **5. Youth Employment Service Initiative**

“Young South Africans will be moved to the centre of our economic agenda,” said Ramaphosa. In March the Youth Employment Service Initiative will be launched to place unemployed youth in paid internships in companies across the economy. “Together with our partners in business, we have agreed to create a million such

### **6. Youth Working Group**

Ramaphosa also stressed the importance of having youth raise their views and engage with government. For this reason a Youth Working Group will be established to advanced the interests of young South Africans, he said.

### **7. Infrastructure investment**

Ramaphosa said a team will be set up to speed up the implementation of new projects for water infrastructure, road maintenance and health facilities.

### **8. Small business development**

“We will work with our social partners to build a small business support ecosystem that assists, nourishes and promotes entrepreneurs,” said Ramaphosa. Government will also maintain its commitment to set aside 30% of public procurement to small and medium enterprises, as well as township and rural enterprises. Currently government is finalizing a small business and innovation fund for start-ups. Efforts will be made to reduce regulatory barriers for small businesses. Additionally, the Small Enterprise Finance Agency, has launched a scheme to fund entrepreneurs with disabilities.

### **9. Grow tourism sector**

The tourism sector can provide the country with “incredible opportunities”. The sector sustains 700 000 jobs and has capacity to double in size.

### **10. Digital Industrial Revolution Commission**

Government will establish a Digital Industrial Revolution Commission to seize the opportunities in the digital industrial revolution.

Draft State of the Province Address (SOPA) by the Premier of the Northern Cape, Ms Sylvia Lucas, on the occasion of the Fifth session of the Fifth Legislature  
28 February 2018  
Mieta Seperepere Convention Centre in Kimberley

The Speaker and Deputy Speaker of the Northern Cape Provincial Legislature;

Members of the Executive Council;  
Members of the National Assembly and the National Council of Provinces;  
Members of the Northern Cape Provincial Legislature;  
Members of the Diplomatic Corps;  
Judge President of the Northern Cape, Judge Tlaetsi  
Heads of State Security Services;  
Chairperson of the South African Local Government Association (SALGA);  
Mayors and Leaders in our system of Local Government;  
Our Honoured Traditional Leaders and Veterans of our Liberation Struggle;  
Heads of State institutions supporting our constitutional democracy;  
The Director General, Heads of Department and Leaders of the Public Service;  
Vice Chancellor of Sol Plaatje University, Prpfessor Ballim  
Goodwill Ambassadors of the Northern Cape Province;  
Chairperson of the ANC  
Secretary of the ANC  
Leaders of the Alliance  
Government Officials;  
Distinguished Guests;  
Fellow citizens of the Northern Cape;  
Members of the Media;

## **LADIES AND GENTLEMEN**

It is my profound privilege to address you here today as we enter the year of renewal, unity and jobs. As we gather here, we find ourselves in the midst of a major transformation in our country. A period of renewed hope as we set about building a national democratic society. Indeed, we are experiencing the commencement of a new era in our country's political landscape characterised by a new hope, enthusiasm and optimism amongst the masses of our people.

**Honourable Speaker**, in memory of our icons who would have celebrated their centenary birthdays this year, we will be honouring the life of the late Nelson\_Rolihlahla\_Mandela and Mamma Albertina Nontsikelelo Sisulu.

We pledge this year, the centenary of Mandela, as the year ***of unity, renewal and jobs*** as part of emulating the good example of service and selfless dedication to the course of our people and recognise the centenary of his birth by declaring both as public office bearers and public servants that indeed **our people come first!**

Tata Madiba is remembered as the founding father of our democracy. In the Northern Cape his centenary celebrations will be marked by various activities that will be outlined during the course of the year in a bid to foster nation building and social cohesion. We will also commemorate his legacy through memorial lectures and round table discussions across the Province. The Department of Sport Arts and Culture, together with the McGregor Museum will put together an exhibition detailing the impact of Madiba's projects in the Northern Cape. It is our belief that all infrastructure such as buildings and streets named after our South African icon, former President Mandela would be preserved and accorded the respect they deserve.

This year also marks the 40<sup>th</sup> anniversary of the passing of the Pan Africanist leader, **Robert Mangaliso Sobukwe**. The history of Robert Mangaliso Sobukwe would never be complete without referring to the city of Kimberley. Driven by that belief, the Northern Cape Provincial Administration seeks to rename the Kimberley Hospital Complex to the Robert Mangaliso Sobukwe Hospital. The honour of renaming the Kimberly Hospital Complex is to retain the revolutionary connection Kimberley as a City has with the South African father of Pan Africanism. As part of the commemoration of the 40<sup>th</sup> anniversary of his death, the Province paid tribute to this great leader through a wreath laying ceremony at his home and office located in Galeshewe yesterday and a memorial lecture that took place at the Sol Plaatjie University last night.

There is a renewed commitment to address the human consequences of the legacy of apartheid.

The achievements of the democratic developmental state must always be measured by its capacity to promote pro-poor, people-centred, shared, sustainable development, growth in an environment which respects, nurtures democracy and upholds the constitution and the rule of law.

It would be remiss of me in this regard if I do not immediately refer to the dispossession of our people's land by a litany of colonial and apartheid rulers in the past and the urgent need to address the situation. The expropriation of land without compensation will be among the key mechanisms available to government to give effect on the land reform programme. This was reaffirmed at the 54<sup>th</sup> conference of the ruling party and emphasized by President Ramaphosa during his maiden State of the Nation Address. It forms an integral of the ruling party's plan for the future. Further to this, Parliament yesterday agreed to the principle of expropriation of land without compensation in the context of ensuring food security, economic growth and radical economic transformation. The amendments tabled by the ANC; resolved that the Constitutional Review Committee of Parliament reviews Section 25 of the Constitution and other clauses, where necessary to sufficiently cater for the principle of land expropriation without compensation. The Constitutional Review Committee has been directed to prioritise this issue and report back to Parliament by end of August this year. we welcome this initiative.

### **Ladies and gentlemen**

We remain committed to accelerate land reform in our Province. To date, in the Northern Cape, over 1.5 million hectares of land that has been transferred to our people through restitution and redistribution programmes.

### **Honourable Speaker**

**President Ramaphosa made it clear in his State of the Nation Address (SONA) reply that “...we have a plan and that is the National Development Plan. That is our plan”.**

The NDP is the only document other than the Constitution that has been approved by Parliament which gives it substantial standing and therefore qualifies to be referred to as our South African Plan. The foundational directive of this document embraces the idea that the people are to be active champions of their own development. It is out of this resolve that I must state that the Northern Cape government is serious about development for the people by the people.

**Honourable Speaker**, the Northern Cape Province, will be developing the Provincial Growth and Development Plan (PGDP) and a revised Provincial Spatial Development

Framework (PSDF) as part of enhancing implementation of the National Development Plan.

**Ladies and gentlemen**, I would like to extend a personal invitation to members of society to actively participate in the forthcoming dialogue sessions to be held in our Province on the Provincial Growth and Development Plan (PGDP) Vision 2040 and the revision of the Provincial Spatial Development Framework (PSDF).

Further to this, the Province is currently crafting the Northern Cape Spatial Planning and Land Use Management Bill. Through our own bill we will observe the urgency accorded to integrated planning because therein is a proposal that relates to the function shift of municipal integrated planning, spatial planning and land use management to be located in the Office of the Premier. It is my plea that this bill be finalized within the 2018/2019 financial year.

**Honourable Speaker**

We would like to invite the youth of our province to participate in a Provincial vision 2040 competition to be launched at the end of September this year to develop a logo for the PGDP and PSDF, which would highlight the uniqueness of our Province and encompass our rich cultural heritage. The Northern Cape Provincial Government will pledge a bursary to the winner of the competition as a reflection of our commitment to youth development.

**Honourable Speaker**

Over the past decade a number of social dialogue sessions or summits have been held throughout the Province. We will therefore be convening a **Special Task Team** to take stock of the resolutions taken at these various summits and conferences to assess the implementation of those critical decisions and resolutions. We will similarly also look at the lack of implementation thereof in order to establish the actual reasons for none implementation and compliance. This will provide us with an opportunity to gauge the impact in relation to the intended outcomes and purpose of those decisions and resolutions.

**Honourable Speaker**

The fight against corruption remains on the agenda of Provincial Government so much so that we have ensured that all provincial departments have anti-corruptio policies and

strategies including anti-corruption implementation plans. When we say that we are serious on fighting corruption, we stand firm alongside the President of the Republic when he called for stronger action against corruption and crime be it in the public or private sector.

In the last audit cycle, four provincial departments obtained Clean audits namely Office of the Premier; Treasury; Legislature; Environment and Nature Conservation. During this audit cycle, the Northern Cape was the only province where the three oversight departments got clean audits. Seven other departments were financially unqualified with findings. We stand firm in building on this improvement in the coming year because we are encouraged by the fact that no department for the fourth year in a row has been disclaimed. We will continue to work towards improvements in delivering good and quality services to the people of the Northern Cape within the confines of good financial management prescripts.

The implementation of the Back to Basics approach has also made significant improvement in the audit outcomes of municipalities. When the programme commenced in 2014 there were 15 dysfunctional municipalities. As at the end of 2017 there were only 6 dysfunctional municipalities in the province namely Ga-Segonyana, Joe Morolong, Siyathemba, Phokwane and Ubuntu. The audit outcomes of Magareng, Dikgatlong and Renosterberg local municipalities have improved from a disclaimer opinion to qualified opinion.

The department with the support of the National Department of Cooperative Governance and Traditional Affairs will continue to assist and support the dysfunctional municipalities to ensure that they improve from their dysfunctional status. The status of the municipal valuation rolls of all municipalities has been assessed. The department will also continue to support and assist municipalities in this regard to ensure that they enhance their revenue generation.

### **Honourable Speaker**

The Local and Provincial House of Traditional leaders have been successfully reconstituted and we are pleased to report that for the Provincial House we have witnessed for the first time that a female senior Traditional leader, Kgosi Pelonomi Toto, was duly elected as the Chairperson.



**Ladies and gentlemen**

We are pleased to share with you that the Office of the Premier and the Director General has been shortlisted for Best Functioning Provincial DG and Best Functioning Department by the Department of Public Service and Administration. The outcome will be announced at an event scheduled for this Friday. This nomination is a clear indication that this is a Province at work and our efforts are being recognised at a national level.

**Honourable Speaker**

As part of our efforts to ensure an integrated response to service delivery as well as improve the impact of our interventions and to address the challenges of fragmentation; we are busy developing an integrated service delivery model that will enable government to respond comprehensively to the challenges of our people. The importance of young people as agents for change is acknowledged therefore we have undertaken a study in the Province to pinpoint the challenges and also provide possible remedies to these challenges.

Government spends a substantial amount of money on programmes aimed at young people, however these programmes remain ineffective and with little or no impact. This led to us developing an integrated youth development strategy for the Province. This will be the first such strategy for the province, and importantly, it will ensure that our interventions are targeted and informed by the needs of young people. Through this strategy, we will also be in a position to ensure that we address the strategic challenges facing our young people in a coordinated and integrated manner.

In aligning ourselves to the President's commitment of moving the youth to the centre of our economic agenda in his address to the nation, the province has committed through partnerships with SETAs to secure work placement opportunities for 1000 learners and graduates from Universities, TVET Colleges, Community Colleges and private institutions for the new financial year. This commitment was sealed through the signing of a pledge by skills development stakeholders during a skills development roundtable held in October last year.

The outcome of this commitment culminated into a partnership between the Department of Health and the Health and Welfare (HWSETA) which has committed funding for the implementation of much needed skills in the Emergency Medical Services (EMS) aimed at improving capacity of the EMS services as well as the training of basic and advanced pharmacist learnerships and internship programmes in the province. Another Memorandum of Understanding was entered into between the Office of the Premier and the Construction Seta, which will see the implementation of learnership programmes.

The province continues to make financial resources available to the students in need through the provision of bursaries. In the last financial year a total of 9 736 bursaries were awarded in the province by the state, SETA's and the Premier's Trust Fund, to the youth in the Province. Through our partnership with the Mine Managers Forum, we have received funding in excess of one million rand for learners at universities for this current financial year.

We are pleased to announce that 1540 students have been registered at the Sol Plaatje University for the new academic year; of these 700 are new first year students. And we expect around 600 of these students will be covered by the new free higher education for poor and working class families programme.

We are currently finalizing a Memorandum of Understanding (MOU) with Sol Plaatje University. This MOU will assist us to commence the process of undertaking a comprehensive provincial skills audit to establish the extent of our Provincial skills deficit in relation to the skills required by our Provincial economy. The outcome of this skills audit will assist the process of the finalization of our Provincial Human Resource Development strategy that does not only speak to the public sector but to the cross sectoral skills challenges. We would like to invite all key stakeholders from the private sector, academia and labour to come to the fore and assist the Provincial Government with undertaking such a skills audit for the Province.

As part of the National Youth Brigade Programme, over 100 youth have been provided with accredited training programmes in partnership with the National Home Builders Regulatory Council (NHBRC) and National Youth Development Agency (NYDA) in

Grootdrink. The objective of the training programmes was to expose and provide learners with skills in the human settlements delivery environment such as plumbing, plastering and bricklaying and to impart critical life skills through the NYDA programme. In the next financial year, over 100 youth in the Pixley ka Seme district will benefit from this programme.

A total of 717 youth are also receiving both theoretical and in-service training under the war on leaks programme – several water agents and artisans are placed at municipalities and mines.

### **Honourable Speaker**

This year we will be hosting a Social Cohesion Summit in the Province to achieve a social compact to build on our developmental path to achieve our Vision 2040. The Provincial Social Cohesion Summit will serve as a consultative platform for all key stakeholders within the Province to collectively deliberate on programmes required for social cohesion. It is our hope that this summit

will revive our Moral Regeneration Crusade and awaken positive values in our communities.

### **Honourable Speaker**

Sport in its many codes and disciplines has proven it to be a strong foundation to social cohesion. The Department of Sport, Arts and Culture will grow the Department's footprint in the province to reach more people.

### **Honourable Speaker**

We will double our efforts in empowering the vulnerable and marginalized groups who are part and parcel of the creation of the Northern Cape we want. We will continue with our programmes in collaboration with the rest of society in fighting women and child abuse.

The Province has developed a **Provincial Plan of Action for Children**. At the heart of the plan, is the creation of an enabling and supportive environment to ensure that we all respond appropriately to the needs of our children. We now have **Child Ambassadors** in all our District Municipalities whose primary responsibility is to take up children specific matters and escalate them to government for interventions. The Province also hosted the national event of the **Nelson Mandela Children' Parliament (National Parliament)** in October last year.

As a Provincial Government we will continue to ensure that the policy space is created to engage on, find solutions and address the plight of persons living with disabilities. I'm pleased to announce that we have procured an **Embosser machine** which will help in generating documents in Braille. Partnerships have been forged with several strategic partners such as Petra Diamond Mine, NHBRC, SEFA, NYDA, amongst others, to drive the transformation agenda in the province.

In June last year, the Province launched the Call-To-Action Campaign. The primary call to action campaign is to respond to the scourge of abuse and senseless killing of women and children. We will continue this year as a Province to have a number of calls to action campaigns aimed at the promotion and protection of women, children and differently abled persons.

The Department of Transport, Safety and Liaison, in heeding Government's call, for a safe and secure South Africa, continues to work closely with the South African Police Services, as well as communities through the various community structures, namely: Community Police Forums and Community Safety Forums, to address the levels of crime in the Province.

The province also hosted the National Women's Day event last year, where we paid tribute to women's contributions to the liberation struggle whilst also observing the centenary of struggle icon OR Tambo and his contributions to the struggle to end gender inequalities.

### **Honourable Speaker**

Education constitutes the ultimate basis for the wealth of a nation, and it is therefore vital that as a Province we recognise its value through our interventions in the education of our children. The importance of early childhood development cannot be overemphasized. It is at this stage where the emotional, social and physical development of young children is moulded and developed and this development directly impacts on the grown person they will become. It is for this reason we identified Early Childhood Development (ECD) as a key catalyst for the development of our children and as one of the five key priorities for the Department of Social Development. We are in the process to finalise our Provincial

Integrated ECD Strategy that will ensure cohesion and integration across all spheres of Government, inclusive of private sector.

**Honorable Speaker**

Let me highlight once again that the Northern Cape recorded an overall pass rate of 75.6% for the class of 2017. The Namakwa district achieved the highest pass rate of 82.9% and nine schools have recorded a 100% pass rate. We commend the teachers, learners and parents for their commitment and dedication and pledge to support the class of 2018 in their endeavor to reach or surpass the 80% pass rate. Through partnerships with SIOC-cdt we saw improvement in the pass rate of the John Taolo Gaetsewe region.

Through the Quality Learning and Teaching Campaign, we have secured the commitment of our various education stakeholders, including teacher unions representing teachers, school governing body associations representing parents, and learner organisations to working together to turn our education fortunes for the better in the Northern Cape. We have also encouraged the private sector to grow its efforts to support education development in the Northern Cape.

Last year marked an important milestone for the Sol Plaatjie University with the graduation of its first B Education degree students. The Provincial Department of Education in partnership with the University offered thirty four Bed degree graduates peramnet teaching posts nearest to their residential areas. This is testimony to the fact that working together we can more.

**Ladies and gentlemen**

As we celebrate the life and times of our former late President, Nelson Mandela, we draw strength from our diversity because it is our diversity that unites us. It is our diversity that connects us to one another and it is this diversity that shapes the character and resilience of all our people. With 11 official languages, we need to ensure that we communicate with our people in the language of their choice. Therefore, we have undertaken a process to ensure that we translate all essential government information at least in the languages spoken in the province to improve service delivery and to inculcate a culture of belonging.

**Honourable Speaker**

The Department of Education has introduced Nama, an indigenous language as an extramural programme in the Province. The strengthening of the indigenous languages of our province has been an area in which the department has played an active role in and has striven to empower communities in the Northern Cape. In line with this principle, Nama is being introduced at two schools in the Northern Cape this year. These schools are in Riemvasmaak and Kuboes. These are the towns where Nama is mostly spoken. The department of Education is also currently engaged in the Incremental Introduction of African Languages in our schools. This initiative is aimed at creating a multi-lingual society. The Provincial government will through an incremental approach equip the front line staff of our administration with sign language. The Office of the Premier and the Department of Sports, Arts and Culture will be the torch bearers of this noble and societal empowering initiative.

### **Honourable Speaker**

The provision of quality healthcare services to our people remains high on our developmental agenda. To this end the following interventions and improvements have been recorded. Twenty-one (21) Northern Cape Cuban trained final year medical students will finalise their medical training and plans are underway to receive and integrate these students in Kimberley Hospital. Forty-three (43) Nursing bursary holders graduated and will be absorbed into permanent vacant funded posts.

### **Ladies and gentlemen**

As a Provincial Government we are pleased with the relationship we have developed with the business sector especially the mining sector in strengthening our health delivery mandates. In the ZF Mgcawu district, we have concluded a Memorandum of Understanding (MOU) with the farming sector, to ensure that the farm workers do not only have access to healthcare services but receive quality healthcare services. These services are to be quality assured by the department of Health. The MOU stipulates that the sector shall provide a Professional nurse, equipment and physical infrastructure, whilst the department provides consumables; oversight and quality assure the services provided on those sites. The many achievements will be outlined in the MEC's budget speech.

**Honourable Speaker**

For the past few years we have piloted the implementation of National Health Insurance (NHI) in the Pixley Ka Seme district. I am pleased to announce that our government is gearing up to expand most of the NHI initiatives to districts across the province. The lessons from the pilot projects across the country put us in good stead as a province to learn and pick up the good lessons worth learning going forward.

The Department of Health will work closely with NGOs and Community Health Workers to reduce TB fatalities. TB Tracer teams will also be appointed to heighten our efforts in combating death amongst TB&HIV patients.

The province also launched the new short regimen for the management of MDR TB in June 2017 to improve treatment adherence and reduce side effects of MDR TB treatment. A cumulative total of 106 patients were initiated on this regimen. This will improve adherence and completion as well as contribute to the overall cure rate achieved. The province has forged strategic partnership with key stakeholders in strengthening Hiv Counseling and Testing services in terms of access and quality.

There has been a decline in maternal deaths in the Province, over the past years from 151 per 100 000 live births (2012/13) to 96 per 100 000 live births (2016/17), and with the Sustainable Development Goals target for 2030 being 70 per 100 000, every effort is being made to achieve the set targets and standards. This is a major achievement in the provision of healthcare services to mothers, unborn and newborn babies.

**HONOURABLE SPEAKER**

The NDP requires that **“South Africa creates the framework for implementing the transition to an environmentally sustainable, low-carbon economy as a core element of its strategy for sustainable development as proposed in the plan as a whole”**.

Climate change is currently among the greatest threats to sustainable development. The impacts and vulnerabilities to climate change vary across the Province, within districts and specific sectors. Extreme weather conditions such as increases in temperatures and changes in rain patterns associated with climate change is already leaving its mark on the Northern Cape. Despite the recent good rains, our Province is one of three provinces still facing extreme drought conditions. President Ramaphosa also proclaimed the drought in the Northern Cape as a national disaster. Due to the persistent severe drought conditions that are still prevalent in the western regions of the province, fodder has been donated to the province by various stakeholders as well as the intervention from the Department of Agriculture's fodder bank and provision of transport for the fodder, which mitigated the impact of drought on both commercial and smallholder farmers.

The areas mostly affected in the Northern Cape and Pixley ka Seme districts and water supply to towns experiencing water shortages remains a key priority. In the Hantam local municipality worst hit by the persistent drought, the Loeriesfontein bulk water supply project at a cost of R128 million is making good progress and should be completed by June this year.

The Northern Cape's allocation under the water services infrastructure grant for 2018/19 amounts R453 million and will be used to address water supply and sanitation challenges including drought interventions. A further R762 million through the regional bulk infrastructure grant is to be used for interventions to eradicate the water supply and sanitation backlogs, contribute to economic development and will further build our resilience to drought and the impacts of climate change. Key projects implemented include amongst others phase 1 of the Vaal Gamagara bulk water supply, (key to growing the mining economy in the Province and the Namakwa bulk water supply (key to sustaining and opening up new opportunities for growth in this district).

To shape the Northern Cape's path toward economic, social, and environmental development regarding climate change, the Province has developed the Northern Cape Climate Change Adaptation Response Strategy. This strategy creates an enabling framework through which significant new and emerging response options and opportunities relating to drought and other severe climate changes can be addressed.



## LADIES AND GENTLEMEN

President Ramaphosa has charted a new trajectory for the economic emancipation of our people, which includes the **acceleration of radical socio-economic transformation**, with the prioritisation of **youth empowerment initiatives**, specifically focused on ‘youth entrepreneurship’ and a ‘skills revolution’ to produce black industrialists and a skilled and well equipped workforce for the fourth industrial revolution.

Transforming the economy of the Northern Cape will entail the calculated mobilisation of all social partners, in particular the three spheres of government, as well as labour and business behind an economic growth plan. The Province is planning to host an Economic colloquium as a pre-cursor to an Investment Conference. The idea is to aggressively promote our mega projects for attraction of credible investment.

## Ladies and Gentlemen

It is concerning that despite an increase in mining activity and productivity, an increase in the number of renewable energy operators in the Province, as well as warding off the commodity shake down of 2016 that the Province can’t seem to shake off the tag of being the least contributor to the National GDP, averaging around 2.2%. However, the Province expects its performance to improve over the long-term, with an increasing capacity in terms of the renewable energy sector and mining.

Fellow citizens, the youth form the largest cohort of the population and thus it would be a disservice for the Provincial Government not to place the youth at the top of the Provincial Agenda. I must emphasise once more that the youth are at the epicenter of the economic agenda of our beautiful Province. We need therefore to tap into our South African consciousness above our ideological differences to intervene in what confronts all of us. Poverty and unemployment is a South African challenge that requires all of us to put our hands on deck to find solutions thereto. Already Government has put measures in place to stimulate and create a conducive environment for youth employment.

Given the above recognition and reality we are going to establish a Provincial Growth and Development Advisory Council with a view of engaging all our social partners on how best

we need to collectively grow the Northern Cape economy. A critical outcome of the Provincial Growth and Development Advisory Council should be our stance and attitude towards the continued de-industrialisation of the Northern Cape. We need to consolidate our provincial position and refuse to participate in the continued narrative that perpetuates the de-industrialisation of our province. As a result we will have to, in a more vigorous manner articulate our concern with national government regarding this matter as our immediate and current urgent task.

### **Ladies and Gentlemen**

The mining sector continues to be the bedrock of our provincial economy and notably in recent times has been able to create much needed employment for our people. However, the sector requires a transformative agenda to ensure the participation and inclusion of the Historically Disadvantaged Individuals (HDI). In this regard, we appreciate and note the cordial engagements we have had with our mining sector and their contributions to the Province. One of the key stumbling blocks is the integration of the Artisanal Miners in the mainstream.

Thus, pursuant to our objective to legitimize the unlawful operations of the Artisanal Mine Workers, the Office of the Premier, together with the Department of Mineral Resources conducted a successful workshop aimed at guiding the Artisanal Mine Workers through the regulatory process in conducting lawful mining operations.

Arising from this workshop, in addition to two prospective rights already existing, the Artisanal Mine workers applied for two mining rights which are currently being processed, With the assistance of the Department of Mineral Resources and the Swedish International Housing Company we are currently inspecting several sites with the express aim of assisting the Artisanal Mine Workers in identifying viable mineral-rich land in order for them to start their lawful mining operations.

### **Honourable Speaker**

The Province will continue to ensure the delivery of infrastructure investment through the building of schools, libraries, clinics and other health facilities. We will continue to deliver housing units to the most vulnerable and destitute people of our province. For the coming

year; an additional 2 411 households will be provided with free basic services such as water, electricity and sanitation and 1599 houses will be constructed. The transfer of property has made excellent progress notwithstanding the challenges for the province like any other; we have recorded an accumulative output of 10 681 transfers from 2014/15 to 2017/18. We plan to transfer 9 192 properties to beneficiaries in the 2018/19 financial year. The province welcomes the transfer of all Northern Cape title deeds from Cape Town deeds office to Kimberley deeds office as this will reduce the lead time to effect registrations.

In our commitment to restoring dignity to our military veterans through human settlements, in the Province we have built eight houses in Emthanjeni Municipality during the 2017/18 financial year and envisage to construct a further 56 military veteran houses throughout the province during the 2018/19 financial year. This will continue unabated throughout ensuing financial years.

The department will continue to prioritize the Upgrading of Informal Settlements Programme in the next financial year by ensuring that at least thirty percent (30%) of the Human Settlement Development Grant is allocated for the implementation of this programme.

### **Honourable Speaker**

I am pleased to announce that the Mental Health Hospital has reached 98% completion and the department in collaboration with the department of Public Works is working towards handing over the facility. It is envisaged that the facility will be handed over by June this year. The department has appointed the Provincial Mental Health Board and is in the process of appointing Mental Health Review Boards in all five districts. These District Mental Health Board Members are volunteers and we want to thank them for their commitment and dedication. We value their contribution in improving the lives of the people of our Province. The Mental Health Hospital will be operationalised in a phased in approach as soon as the facility is handed over to the department.

### **Honourable Speaker**

I am also happy to announce that the first ever in-patient substance abuse rehabilitation centre has been completed and handed over to the Department of Social Development. The recruitment process for the staff of the treatment centres will be unfolding during the coming financial year and it is envisaged that the centre will be fully operational from July this year. The timely completion of this treatment centre within the agreed upon budget demonstrates our commitment to ensure efficiencies in terms of the utilisation of public resources.

### **Ladies and gentlemen**

In our attempt to foster a reading nation, we have opened public libraries in Logaganeng and Churchill in the John Taolo Gaetsewe District, Petrusville in the Pixley ka Seme District and Ritchie in the Frances Baard District.

As part of the Strategic Infrastructure Projects (SIP 8), the Province is part of a national initiative which ensures that green energy initiatives are included in the designs of all major new buildings and into the physical construction of major buildings. The Province is currently participating in the Shared Water Efficiency Programme set up by National Public Works and thirty (30) properties have been identified for inclusion in this project.

The Northern Cape Government has applied and requested to partner with the Central Energy Fund to roll out solar energy solutions to public schools in the Northern Cape. The solution will be for schools with poor electricity infrastructure and it will promote the changeover to solar energy as a less expensive and environmentally friendly alternative.

The Northern Cape is a regional solar hub of energy in Southern Africa. The spin offs both in terms of the manufacturing sector and the creation of the much needed employment are immense. Should this bid be successful, the Province will form part of a national pilot by the Department of Energy for the installation of solar energy solutions in our schools.

Together with the Department of Energy, we will also be introducing the second phase of the rollout of solar water heaters in the Sol Plaatjie municipal area. Part of the programme will entail the training of young people to maintain and repair the geysers.

**Honourable Speaker**

The Contractor Development Programme of the Department of Roads and Public Works is in its implementation phase and the Department has completed the 1<sup>st</sup> phase of the theoretical training, with the oversight of mentors and commences at the beginning of this month. Projects will be ring-fenced for the contractors participating in this programme, while structured training programmes and mentorship will also be provided.

**Ladies and gentlemen**, the Northern Cape is making huge strides in addressing infrastructure investment demands in especially underdeveloped areas by constructing quality road infrastructure. These efforts were achieved irrespective of the mounting challenges especially in the John Taolo Gaetsewe (JTG) district where community protests contributed to the delay in completion of certain projects. Despite these challenges we can successfully report the completion of phase 2 which is between Heiso and Dithakong and the 3rd phase will continue in 2018/2019 financial year. The road between Laxey and Rustfontein is currently under construction, and phase 5, which is the road from Hotazel to Tsineng faced challenges but commenced in February this year.

**Honourable Speaker**

Roads in poor condition restrict social and economic development therefore, as part of safeguarding the province's road infrastructure, during the 2017/18 financial year, resealing was completed in Victoria West towards the N1, from Carnavon to Williston, Frazerburg to Western Cape Border, Danielskuil to Kuruman and all the roads in Vaalharts area.

We will conduct an Infrastructure audit and develop a Provincial Infrastructure Strategy with specific reference to the implementation of the Infrastructure Development Act.

**Honourable Speaker**

It is worth noting that the Agricultural sector plays a major role in contributing to the economy of the Northern Cape as well as job creation. This sector has ensured a reduction in the unemployment rate in the Province whilst simultaneously cushioning our country's economy from a possible recession.

We are on track for the full-speed implementation of Agri-parks across the five Districts. All identified sites in the five districts have been profiled and business plans were drawn up and circulated to Municipalities for approval and endorsement. The agricultural production improvement of the smallholder farmers is further bolstered through the Fetsa Tlala Food Production programme. Progress is also underway in the implementation of the five mega-investment projects namely the Namakwa Irrigation Development with Onseepkans as the anchor, the Rooibos development and extract/aroma as a key value addition project, the Vanderkloof Fisheries and Cape trout farming, the Vaalharts Revitalisation with Ganspan as the anchor and the Vineyards development scheme. An additional project on the development of the Ostrich industry in Pixley ka Seme is being added to make these six.

**Honourable Speaker**

The Expanded Public Works Programme (EPWP) continues to be one of government's highest employment creation programmes and a catalyst for poverty alleviation. It is worth noting that the Social Sector has always been the highest job creators, making them the best performers amongst other sectors. During the third quarter of the 2017/18 financial year, the Province reported a total of fifteen thousand three hundred and eighty (15 380) work opportunities on the EPWP reporting system, inclusive of the Municipal and Provincial spheres. The province has a job creation target of 29 315 for the new financial year, which is the final year of the EPWP Phase 3 and will have to make monumental efforts to achieve the overall target.

**Honourable Speaker**

The Province is moving ahead with the implementation of the nine point plan, which amongst others include the following major projects such as the Special Economic Zone, Boegoebaai Port, SKA and Agri-parks to name a few. The development of these sectors will address economic challenges in our Province and the reduction in the unemployment rate especially amongst the youth. This should therefore put the Province in good stead to enhance economic growth and create employment.

The Province will coordinate high impact projects such as the Renewable energy projects, and facilitate the forging of partnerships to ensure that these key sectors reach their full potential but more specifically that the people of the Northern Cape people benefit from these.

### **Ladies and gentlemen**

I am proud to mention that we are a government at work, every day, 24 hours a day in order to bring about a better quality of life for all our people, especially the marginalized and vulnerable sectors of the Northern Cape. Having said this, and being wholly mindful of our developmental mandate, we are as a governing collective, always on the look-out for innovative ideas that make a positive and tangible difference in the lives of our communities.

Therefore, in our quest in seeking to usher in positive change, I together with my colleagues in the Exco are engaged in constant discussion and debate. We continue to prioritize seeking the best developmental solutions. To this end, **Honourable Speaker**, we have over the last two days, just emerged from extended Lekgotlas of the ruling party and government respectively, and some of the decisions adopted at the Exco Lekgotla are as follows:

- Intensification of the Provincial Treasury's interventions in the departments of Health and Education,
- Increase the capacity of Provincial Treasury to provide more hands on support to municipalities including more political involvement by MEC's and other elected public officials.
- Cost containment measures will be implemented across all departments.
- Operation clean audit will be revived in both the provincial and local spheres of government.
- There will be integrated planning at all levels in order to reduce duplication and ensure optimal use of limited resources.

As I am about to conclude, I just wish to mention **Ladies and gentlemen**, that we had the distinct pleasure of hosting our Armed Forces for a week which culminated in the commemoration of Armed Forces day on the 21<sup>st</sup> of February, a commemoration that takes place every year to honour the brave men who lost their lives when the SS Mendi was sunk in the English Channel. We also had the privilege of hosting the Commander in Chief – President Cyril Ramaphosa on his first official engagement as president of the Republic.

The Armed Forces gave us a glimpse into their capabilities and not only occupied our airspace and landspace for the week-but they also brought along opportunities for young people and excitement for all. I wish to convey my profound appreciation on behalf of the people of the Northern Cape to the Minister of Defence and all the men and women wearing their respective uniforms with pride and distinction for the various activities over the week. The military might on display, re-affirmed our confidence that we can stand our own against any threat, either foreign or domestic. I urge young our young people to take up the opportunities that Armed Forces presents and become part of a force that this nation is proud of.

I also wish to thank all officials, volunteers and the media who each played a role in the resounding success of the events. The people of the Northern Cape cooperated and displayed utmost patience and appreciation for the events. We were shown a different world and we say again thank you to all involved.

### **In conclusion**

Honourable Speaker and Honourable members a great deal of dialogue needs to emerge from all corners of the province regarding the socio-economic paths aimed at transforming our province for the benefit of all. We wish to thank all our partners in the private sector such as the banks, mines, Independent Power Producers and all others who are starting to buy in and support our developmental agenda. We count on your continued commitment and support.

As we pay tribute to the 100 years of the legend of Nelson Mandela, the vision I hold for a prosperous Northern Cape is perfectly mirrored by our late great statesmen when he



proclaimed that, “Our human compassion binds us one to the other – not in pity or patronizingly, but as human beings who have learned how to turn our common suffering into hope for the future.”

This is the path we have to take so that together with our people, we make the Northern Cape a better place and move it forward.

## 2.12 INSTITUTIONAL ARRANGEMENTS

The Integrated Development Plan (IDP) is one of the key tools for local government to assume its new developmental role. In contrast to the role planning has played in the past, integrated development planning is now seen as a strategic function of municipal management, as part of an integrated system of planning and delivery. The objective of the IDP process is to facilitate deliberations resulting in decisions being made on the strategic development direction of the municipality and includes issues such as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. The IDP, however, will not only inform municipal management; it is intended to guide the activities of any agency from other spheres of government, corporate service providers, NGOs and the private sector within the Karo Hoogland Municipal area.

INTERNAL STAKEHOLDERS	
<i><b>ROLE PLAYERS</b></i>	<i><b>ROLES AND RESPONSIBILITIES</b></i>
<i><b>Council</b></i>	<ul style="list-style-type: none"> <li>➤ Approve and adopt the process and framework plans as well as IDP and budget</li> <li>➤ Monitor the implementation and approve any amendments of the plan when necessary.</li> </ul>

<b>Mayor</b>	<ul style="list-style-type: none"> <li>➤ Consider the IDP and Budget timetable and Process Plan and submit to Council for approval annually by latest 31 August.</li> <li>➤ Overall political guidance, management, coordination and monitoring of the IDP and budget process (MFMA section 53).</li> <li>➤ Establish a budget steering committee as envisaged in the Municipal Budget and Reporting Regulations (MBRR) (Regulation 4).</li> <li>➤ Assign and delegate responsibilities in this regard to the Municipal Manager.</li> <li>➤ Submit the draft IDP, budget and SDBIP to Council for community consultation and approval.</li> <li>➤ Submit final IDP and Budget to Council for adoption.</li> <li>➤ The Mayor must approve the final SDBIP within 28 days after the approval of the budget.</li> <li>➤ Co-ordinate plans and timetables for the Budget.</li> <li>➤ Exercise close oversight on the IDP, Budget and SDBIP preparation.</li> <li>➤ Ensure and drives political engagement with the province and national departments on unfunded or under-funded mandates.</li> <li>➤ Escalate community priorities and requests (relating to national and/ or provincial mandates) formally, in writing, to the relevant national/ provincial organs of state – follow-up and coordinate that feedback to the community is provided.</li> </ul>
<b>Ward Councillors / Ward Committees</b>	<ul style="list-style-type: none"> <li>➤ Form a link between the municipality and residents.</li> <li>➤ Link the IDP, Budget and SDBIP process to their respective Wards.</li> <li>➤ Assist in the organising of public consultation and participation.</li> <li>➤ Explain and engage the community during the process.</li> <li>➤ Monitor the implementation of the IDP, budget and SDBIP with respect to their particular wards.</li> <li>➤ Encourage residents to take part in the IDP process.</li> <li>➤ Provide feedback to the community during and AFTER APPROVAL of the IDP, budget and SDBIP. Especially on community priorities that could not be accommodated and the reasons for such, including when or how it will be addressed in future.</li> </ul>
<b>Municipal Manager</b>	<ul style="list-style-type: none"> <li>➤ Managing and coordinate the entire IDP process as assigned by the Mayor.</li> <li>➤ Fulfil the duties of Accounting Officer as set out in Sections 68 and 69 of the MFMA, Act 56 of 2003.</li> <li>➤ Ensure that the budget is prepared in the prescribed format and includes the minimum prescribed information and in the sequence prescribed (MFMA and Municipal Budget and Reporting Regulations (MBRR)).</li> <li>➤ Certifies and signs-off that the budget does meet the minimum quality and content requirements (MFMA and MBRR).</li> </ul>
<b>Chief Financial Officer</b>	<ul style="list-style-type: none"> <li>➤ The CFO performs all the budgeting duties as delegated by the Accounting Officer in terms of Section 81 of the MFMA</li> <li>➤ Managing and co-ordinates the entire budgeting process</li> <li>➤ Ensure proper alignment between the IDP and budget processes</li> </ul>
<b>IDP Manager</b>	<ul style="list-style-type: none"> <li>➤ Prepare IDP process plan and monitor the timeously implementation thereof.</li> <li>➤ Day to day management and coordination of the IDP process.</li> <li>➤ Ensure stakeholder engagement in the IDP process by organising and setting up meetings for engagement.</li> <li>➤ Ensure that the IDP process is participatory and that planning is ward-based oriented. Respond to public and MEC comments on Draft IDP.</li> <li>➤ Compilation of a comprehensive IDP document that complies with all legislator requirements.</li> <li>➤ Amend the IDP document in accordance with the comments of the MEC.</li> <li>➤ Assist the Mayor to coordinate the process of establishing ward committees.</li> </ul>

	<ul style="list-style-type: none"> <li>➤ Responsible for logistical arrangements pertaining to ward committee meetings.</li> <li>➤ The responsibility to meet regularly with the ward committees to ensure appropriate communication with the communities through the ward committee structure.</li> <li>➤ The responsibility to ensure that representations made through the ward committees and ward councillors are channelled to the appropriate structures/functionaries for further attention/information.</li> <li>➤ To provide the administrative support to ward committees.</li> <li>➤ To coordinate within the administration and prepare a consolidated formal document of the community needs/ requests (relating to national/ provincial mandates) that arose during community engagements. This must be provided to the Mayor for escalation to national/ provincial organs of state.</li> </ul>
<b>Head of Departments</b>	<ul style="list-style-type: none"> <li>➤ Provide relevant technical, sector and financial information analysis.</li> <li>➤ Provide technical expertise in consideration and finalisation of strategies and identification of projects.</li> <li>➤ Provide departmental, operational and capital budgetary information.</li> <li>➤ Preparation of project proposals, integration of projects and sector programmes.</li> </ul>
<b>Steering Committee</b>	<ul style="list-style-type: none"> <li>➤ Refinement and quality check of IDP document to ensure compliance with legislation.</li> <li>➤ Consist of Municipal Manager, Senior Management, IDP Manager/Office.</li> <li>➤ To provide technical assistance to the mayor in discharging the responsibilities set out in Section 53 of the MFMA.</li> <li>➤ Consist of the portfolio Councillor for Financial matters, the Municipal Manager, Chief Financial Officer, Senior Managers and any technical experts on infrastructure, the manager responsible for budgeting and manager responsible for planning.</li> </ul>
<b>IDP Representative Forum</b>	<ul style="list-style-type: none"> <li>➤ Provide an organisational mechanism for discussion, negotiation and decision making between stakeholders.</li> <li>➤ Represents the interest of their constituencies in the IDP process.</li> <li>➤ Monitors the performance of the planning and implementation process.</li> <li>➤ Comprises of the Mayor, Councillors, Ward Committees, Municipal Manager, Directors, representatives of various sectors, NGO's, Government Departments and specialised community members.</li> </ul>

<b>EXTERNAL STAKEHOLDERS</b>	
<b>ROLE PLAYERS</b>	<b>ROLES AND RESPONSIBILITIES</b>
<b>Karoo Hoogland Municipality</b>	<ul style="list-style-type: none"> <li>➤ Approve the IDP, budget and SDBIP.</li> <li>➤ Undertake the overall planning, management and coordination of the IDP and budget process.</li> <li>➤ Consider comments of the MEC's for local government and finance, the National Treasury and/ or provincial treasury and other national and/ or provincial organs of state on the IDP, budget and SDBIP and adjust if necessary.</li> <li>➤ Ensure linkage between the Budget, SDBIP and IDP.</li> </ul>
<b>Local Residents, Communities and Stakeholders</b>	<ul style="list-style-type: none"> <li>➤ Represents interest and contributes knowledge and ideas in the IDP process by participating in and through the ward committees.</li> <li>➤ Keep constituencies informed on IDP activities and outcomes.</li> </ul>
<b>Namakwa District Municipality</b>	<ul style="list-style-type: none"> <li>➤ Ensure alignment of the IDP between the municipality and the district municipality (Integrated District and Local Planning).</li> <li>➤ Preparation of joint strategy workshops between municipality, provincial and National government.</li> </ul>

<i>Provincial Government</i>	<ul style="list-style-type: none"> <li>➤ Ensure horizontal alignment of the IDP between the municipality and the District municipality.</li> <li>➤ Ensuring vertical and sector alignment between provincial sector departments/ provincial strategic plans and the IDP process at local/district level.</li> <li>➤ Ensure efficient financial management of Provincial grants.</li> <li>➤ Monitor the IDP and budget progress.</li> <li>➤ Assist municipalities in compiling the IDP and budget.</li> <li>➤ Coordinate and manage the MEC's assessment of the IDP.</li> <li>➤ Provincial Treasury must provide views and comments on the draft budget and any budget-related policies and documentation for consideration by council when tabling the budget.</li> <li>➤ Conduct Medium Term Revenue and Expenditure Framework (MTREF) budget and IDP assessments.</li> </ul>
<i>Sector Departments</i>	<ul style="list-style-type: none"> <li>➤ Contribute sector expertise and knowledge.</li> <li>➤ Provide sector plans and programmes for inclusion in the IDP and budget.</li> </ul>
<i>National Government</i>	<ul style="list-style-type: none"> <li>➤ National Treasury issues MFMA Circulars and guidelines on the manner in which municipal councils should process their annual budgets, including guidelines on the formation of a committee of the council to consider the budget (Section 23(3) of the MFMA).</li> <li>➤ National Treasury issues guidance and provide support to the provincial treasury to assess the budget, SDBIP and integrations/ links of the budget with the IDP.</li> </ul>

## 2.13 IDP PROCESS PLAN

In order to ensure certain minimum quality standards of the IDP process, and proper coordination between and within spheres of government, the preparation of the IDP Process Plan and the drafting of the annual budget of municipalities have been regulated in both the Municipal Systems Act (Act 32 of 2000) and the Municipal Finance Management Act (Act 56 of 2003).

Section 28 of the MSA stipulates that:

- (1) Each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of the IDP which include the SDF
- (2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process
- (3) A municipality must give notice to the local community of particulars of the process it intends to follow and specify timeframes, a programme of the different activities and give the local community and relevant stakeholders an opportunity to participate in the IDP process.

Section 21 (1) of the MFMA stipulates that the Mayor of a municipality must –

- (a) Co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for –

(i) The preparation, tabling and approval of the annual budget;

(ii) The annual review of –

- the integrated development plan in terms of section 34 of the Municipal Systems Act; and

- the budget-related policies;

(iii) The tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and

(iv) Any consultative processes forming part of the processes referred to in sub-paragraphs (i), (ii) and (iii)

The IDP Representative Forum is the main link between the community and the Council. This body's purpose is to serve the needs of the community, to ensure that task teams function effectively, to ensure that the process complies to agreed principles and that the process complies to national policy. The IDP Representative Forum consists of members from all spheres within the community, i.e. ward committees, ward councillors, agricultural sector, tourism sector, business sector, educational sector etc.

Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target & Comments
1	Jun 2016	Assess the 2016/17 IDP & Budget process to address deficiencies, improvements and ensure integration and alignment of processes for 2017/18	IDP Office	IDP Manager & CFO	Internal Process	30 June 2016	Completed
2	July and Aug 2016	Draft 2017/18 <i>IDP and Budget process time schedule</i> outlining the steps and timeframes for compilation of the 2017/18 IDP, Budget and two outer year's Budget and SDBIP	IDP Office	IDP Manager & CFO	MFMA S21(1)(b)	31 July 2016	Completed
3		Municipal Strategic Session to deliberate on (a) the 20/ 30 year Spatial Development Plan (SDP) and (b) high level strategic issues to redefine Council's short term Strategic Agenda to implement SDP.	Office of the MM	Municipal Manager Senior Managers Mayor	Internal Process	31 July 2016	If Applicable
4		Attend District IDP Managers Forum Meeting-Discuss outcomes of IDP and Budget Assessments, Challenges and District Interventions i.t.o IDP and budget planning for the review process.	IDP Office	IDP Manager	Internal Process	31 July 2016	If Applicable
5		Ward Committee Meetings to review the prioritisation of community needs in approved IDP and discuss the process for developing Neighbourhood Plans: Communicate final approved 2016/17 Budget, Tariffs and IDP to Ward Committees.	Mayor	Mayor	MSA	31 Aug 2016	Completed
6		Consider MEC comments and recommendations on assessment of initial IDP Document and IDP processes followed.	IDP Office	Municipal Manager Senior Managers IDP Manager	MSA S21	31 Aug 2016	
Item No	Period	Activity	Co – Co-ordinating Department	Responsibility	Legislative Requirement and Information	Target date	Progress against target & Comments
7	Jul and	Signing of 2016/17 performance contracts for	Office of the MM	Municipal Manager	MFMA	31 Aug 2016	

	<b>Aug 2016</b>	Section 57 Managers and Submission to the Mayoral Committee Signing of lower levels staff performance agreements.			S53(1)(c)(iii)		
8		Prepare and finalise Departmental Plans	All Departments	Municipal Manager Senior Managers	Internal Process	31 Aug 2016	
9		Final Section 57 Managers 2015/16 Performance Assessments Final Performance Assessments of lower level staff	MM	Municipal Manager Mayor	MSA and MFMA	31 July 2016	Not applicable. Performance evaluation not done
10		Finalise logistic processes in respect of each of the IDP and budget meetings and table a business plan to Management in this regard.	IDP Office	IDP Manager	Internal Process	31 Aug 2016	
11	<b>Aug and Sep 2016</b>	Convene Steering Committee Meeting. Final Discussion of Public Participation Meeting Processes.	IDP Office	IDP Manager	MSA Ch 5	31 August 2016	
12		Operational Budget: Salary/Wages schedules to Senior Managers for scrutiny & Corrections	BTO	Senior Managers	Internal Process	31 August 2016	Completed
13		IDP Public Participation Meetings. Communicate Capital Projects per Ward on 16/17 budget, Reconfirm / review service delivery/development priorities.	IDP Office Office of the Speaker	IDP Manager Senior Managers Ward Councillors Mayor	MSA Ch5 S29	31 August 2016	
14		Consult Sector Departments to establish programme/Projects for 5 years – Inter-governmental engagements on IDP and Budget	IDP Office BTO	IDP Manager CFO	MSA Ch5 S24	31 August 2016	
15		Adjustment of Budget Rollovers; changes on SDBIP and KPI'S as per Adjustment Budget	BTO Corporate Services	CFO Municipal Manager	MFMA S28 MBRR S23	31 August 2016	
16		Tabling of and briefing Council on the Draft 2017/18 IDP/Budget Process Plan for approval, including time schedules for IDP/Budget Public participation meetings.	IDP Office BTO	IDP Manager CFO	MFMA S21(1)(b)	31 August 2016	
<b>Item No</b>	<b>Period</b>	<b>Activity</b>	<b>Co – Co-ordinating Department</b>	<b>Responsibility</b>	<b>Legislative Requirement and Information</b>	<b>Target date</b>	<b>Progress against target &amp; Comments</b>
17	<b>Sep 2016</b>	Advertise the budget process and dates of IDP/Budget Public meetings on Municipal	IDP Office	IDP Manager Municipal Manager	MSA and MFMA	2 September 2016	

		Website, Municipal Newsletter and Local Newspapers					
18		Attend District IDP Managers Forum Meeting. Develop uniform guidelines for IDP/Budget review.	IDP Office	IDP Manager Municipal Manager	Internal Process	9 September 2016	
19		Forward adjustment budget (hard and electronic copies) to National Treasury and Provincial Treasury after approval.	BTO	CFO	MFMA S28(7)	9 September 2016	
20		Review of Municipal Strategic Plan Workshop with Council: Review Municipal KPA and Strategic Objectives	Office of the MM	Municipal Manager Senior Managers Council	Internal Process	2 – 28 September 2016	
21		Operational Budget: Salary/Wages schedules with corrections and recommendations to be returned to Finance Department	All Departments	Senior Managers	Internal Process	28 September 2016	
22		Attend Quarterly Provincial IDP Manager Forum Meeting in preparation for IDP Indaba 2	IDP Office	IDP Manager	Internal Process	28 September 2016	
23		Two Day Neighbourhood Development Session with Wards to prepare Draft Neighbourhood Development Plans	IDP Office	IDP Manager	Internal Process	4-5 October 2016	
24		Departments to be provided with the previous financial year 5 year Capital Plan in order to be able to indicate any changes that need to be made and identify any new projects that needs to be added for the compilation of the Draft Capital Budget	BTO	Senior Managers	Internal Process	5 October 2016	
25		Ward Committee Meetings: Discuss, scrutinise community needs as outcome of IDP/ Budget public engagement sessions to IDP forum. (IDP forum consolidate requests from all wards where after projects prioritized in line with available funding over five year period) Escalate community needs relating national/ provincial mandates to relevant organ(s) of state	IDP Office	IDP Manager	MSA	13 – 17 October 2016	
	<b>Oct 2016</b>						
<b>Item No</b>	<b>Period</b>	<b>Activity</b>	<b>Co – Co-ordinating Department</b>	<b>Responsibility</b>	<b>Legislative Requirement and Information</b>	<b>Target date</b>	<b>Progress against target &amp; Comments</b>
26	<b>Oct 2016</b>	Review and costing of municipal rates and tariffs. Preparation of tariffs and bulk resource (water (WaterBoard), electricity (NERSA), etc.)	BTO	Senior Managers Steering Committee	Internal Process	21 October 2016	



		engagement documentation.  Senior Managers to be provided with the previous year's operating expenditure / income actual and current year projections to be used as a base for new Operating Budget. (CFO will further submit budget guidelines to Steering Committee for approval. Guidelines to include deadline dates by which Departments have to meet as well as submission of requests per line item with a zero based budget)					
27		Attend District Stakeholders Engagement Session to inform Sector Departments and Stakeholders of IDP/Budget needs analysis.	IDP Office	IDP Manager	Internal Process	21 October 2016	
28		Table Revised Strategic Plan in Council for approval	Office of the MM	Municipal Manager	Internal Process	31 October 2016	
29		Review Municipal Spatial Development Framework	Planning and Development	Municipal Manager	Internal Process	31 October 2016	
30		Submit Quarterly Report (July 2016 – September 2016) on implementation of budget and financial state of affairs to Council	Office of the MM	Mayor	MFMA S52(d)	31 October 2016	
31		Engagements with Provincial Government regarding any adjustments to projected allocations for next 3 years in terms of the MTREF	BTO	Senior Managers	MFMA S28	31 October 2016	
32		Updating and review of strategic elements of IDP in light of the focus of Council	IDP Office	IDP Manager	MSA	31 October 2016	
33	Nov 2016	Operational Budget: Income / Expenditure inputs and statistics to be returned to Budget Office	All Departments	Senior Managers	Internal Process	21 November 2016	
<b>Item No</b>	<b>Period</b>	<b>Activity</b>	<b>Co – Co-ordinating Department</b>	<b>Responsibility</b>	<b>Legislative Requirement and Information</b>	<b>Target date</b>	<b>Progress against target &amp; Comments</b>
34	Nov 2016	Senior Managers Identify/Create Projects as outcome of the prioritisation of development needs during IDP public engagements sessions within projected budget allocations.	All Departments	Senior Managers	MSA	4 – 23 November 2016	
35		Convene Steering Committee Meeting: Identify	IDP Office	IDP Manager	MSA	24 November	

		projects per Ward with Budget Allocations; prioritise implementation and integration where possible.		Steering Committee		2016	
36		Review Municipal Strategies, objectives, KPA's, KPI's and targets. - Identification of priority IDP KPI's incorporate in IDP and link to budget	IDP Manager	Steering Committee CFO	MSA and MFMA	2 – 30 November 2016	
37		Capital Budget: Inputs from the different Departments to be returned to the Budget Office	All Departments	Senior Managers	Internal Process	30 November 2016	
38		Executive management articulates outcomes, objectives, priorities and outputs desired for next three years and submit capital budget project proposals for draft IDP Review document to Budget Office	All Departments	Steering Committee	Internal Process	30 November 2016	
39		Based on financial statements of 2015/16 determine municipality's financial position & assess its financial capacity & available funding for next three years	BTO	CFO	Internal Process	30 November 2016	
40		Finalise Salary Budget for 2017/2018	BTO	CFO	Internal Process	30 November 2016	
41		Submit Bulk Resource documentation (water (Water Board), electricity (NERSA)) for consultation on municipal tariffs for 2017/18 and the two outer Budget years.	BTO	CFO	Internal Process	30 November 2016	
42	<b>Dec 2016</b>	Finalise preliminary projections on operating revenue and expenditure budget for 2017/2018	BTO	CFO	Internal Process	12 December 2016	
43	<b>Dec 2016</b>	Convene IDP Representative Forum Meeting to give feedback and discuss outcome of Budget steering committee meeting	IDP Office	Municipal Manager IDP Manager CFO	MSA	14 December 2016	
<b>Item No</b>	<b>Period</b>	<b>Activity</b>	<b>Co – Co- ordinating Department</b>	<b>Responsibility</b>	<b>Legislative Requirement and Information</b>	<b>Target date</b>	<b>Progress against target &amp; Comments</b>
44	<b>Dec 2016</b>	<b>Workshop 1:</b> draft IDP, Budget and proposed tariffs and SDBIP with Council. Provide progress update to council against IDP/Budget process schedule and obtain approval for any adjustments to process.	IDP Office	Mayor Municipal Manager IDP Manager CFO	MFMA & MSA	Late November/ early December 2016	
45		Finalise expenditure on operational budget for the budget year and two outer years.	BTO	CFO	Internal Process	16 December 2016	

46		Conclusion of Sector Plans and integration into the IDP document	IDP Office	IDP Manager	MSA	16 December 2016	
47		Finalise departmental Plans and link to IDP	All Departments	IDP Manager Senior Managers	MSA	16 December 2016	
48	<b>Jan 2017</b>	Request and/ or follow-up with Water Board/ NERSA/ other Bulk Service providers for feedback on proposed municipal 2015/16 – 2017/18 tariffs and engagement documentation submitted in Oct 2016	BTO	CFO	MFMA	16 January 2017	
49		Submit Draft IDP, Budget and SDBIP to Director Corporate Services with proposed schedule of Ward Committee Meetings for post IDP & Budget Feedback & Consultation Process	IDP Office	IDP Manager	MSA	18 January 2017	
50		Executive Management finalise the draft IDP & Capital Budget for referral to IDP & Budget Steering Committees. <b>Processes to be followed to be clearly set out in municipality's budget management and implementation policy.</b>	Office of the MM	Municipal Manager Senior Managers	Internal Process	20 January 2017	
51		Tabling of 2015/16 Mid-Year Assessment (to potentially influence 2015/16 budget) to Council	Office of the MM	Municipal Manager Senior Managers	MFMA S72	25 January 2017	
52		Meetings and formal consultation with Bulk Service Providers (ESKOM and relevant Water Board on bulk purchase price increase assumptions)	BTO	CFO	MFMA S23	30-31 January 2017	Water Board not applicable
53		Submit Quarterly Report (Oct 2016 – Dec 2016) on implementation of budget and financial state of affairs to Council. Consider combining with MFMA S. 72 mid-year performance assessment.	Office of the MM	Mayor	MFMA S52(d)	30 January 2017	
<b>Item No</b>	<b>Period</b>	<b>Activity</b>	<b>Co – Co-ordinating Department</b>	<b>Responsibility</b>	<b>Legislative Requirement and Information</b>	<b>Target date</b>	<b>Progress against target &amp; Comments</b>
54	<b>Jan 2017</b>	Tabling of 2015/16 Annual Report to Council	Office of the MM	Municipal Manager	MFMA S127(2)	30 January 2017	
55		Convening Budget Steering Committee Meeting for the purpose to discuss and prioritise draft Capital projects for the next three years	Office of the MM	Steering Committee	MSA S29	30 January 2017	
56		Final review of municipal strategies, objectives, KPA's, KPI's and targets	IDP Office	IDP Manager Steering Committee	Internal Process	30 January 2017	
57		Review all budget related policies and engage with	BTO/PT	CFO	MBRR 7	3 - 30 January	

		Provincial Treasury relating to the mid-year review				2017	
58		Adjustment Budget: Finalise Capital and Operational budget projections for 2016/2017	BTO	CFO	MBRR 21	30 January 2017	
59	Feb 2017	Submit Annual Report to Auditor General, Provincial Treasury and COGTA	Office of the MM	Municipal Manager	MFMA S(127)(5)(b)	1 February 2017	
60		Directors Identify projects and forward local Budget Needs priorities to Namakwa DM. Project alignment between Namakwa DM and Karoo Hoogland Municipality.	All Departments	Senior Managers	Internal Process	1 – 8 February 2017	
61		Ward Committee Meetings: Discuss and brief Ward Committees on Council's revised strategic plan, Strategic Objectives and envisaged deliverables.	IDP Office	IDP Manager	Internal Process	6 – 13 February 2017	
62		Review tariffs and charges and determine affordable tariffs and finalise income budget.	BTO	CFO	MFMA s20	15 February 2017	
63	Feb 2017	Attend Provincial IDP INDABA Incorporate Sector Departments Projects in Draft IDP.	IDP Office	IDP Manager Senior Managers	Internal Process	20 February 2017	
64		Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget, e.g. Grant Allocations	Office of the MM BTO	Municipal Manager CFO	MFMA21(2)(c)	1 – 2 February 2017	
65		Attend District IDP Managers Forum Meeting to discuss the alignment of IDP Strategic Development Goals with Namakwa DM. Draft IDP Presentations.	IDP Office	IDP Manager	Internal Process	27 February 2017	
66		Present Draft IDP and Budget to Steering Committee for quality check	IDP Office BTO	Steering Committee	MBRR S4	28 February 2017	
<b>Item No</b>	<b>Period</b>	<b>Activity</b>	<b>Co – Co-ordinating Department</b>	<b>Responsibility</b>	<b>Legislative Requirement and Information</b>	<b>Target date</b>	<b>Progress against target &amp; Comments</b>
67	Feb 2017	Submit first draft IDP to Namakwa DM for Horizontal Project alignment between the Namakwa DM and Karoo Hoogland Municipality	IDP Office	IDP Manager	Internal Process	28 February 2017	
65		Table Adjustment Budget to Council for approval	Office of the MM	Municipal Manager	MBRR S23	28 February 2017	
66		Amend IDP, SDBIP, KPI's and performance agreements i.t.o adjustment budget	Office of the MM	Municipal Manager Senior Managers	MFMA 28	28 February 2017	
67	March	Present Draft IDP and Budget to Steering	IDP Office	Steering Committee	MBRR 4	7 March 2017	

	<b>2017</b>	Committees for quality Check (Including recommendations / adjustments made at meetings of 27 February 2017)	BTO				
68		<b>Workshop 2:</b> draft IDP, Budget and proposed tariffs and SDBIP with Council. Provide progress update to council against IDP/Budget process schedule and obtain approval for any adjustments to process.	IDP Office BTO	IDP Manager CFO	Internal Process	9 -10 March 2017	
69		Forward Adjustment Budget (hard and electronic copies) to National and Provincial Treasury after approval	BTO	CFO	MBRR 24	14 March 2017	
70		Publication of approved Adjustment Budget after approval per MSA and on municipal website	BTO	CFO	MBRR 26	14 March 2017	
71		Municipal Manager presents final draft IDP, Budget, SDBIP and Budget related policies to the Mayor for perusal and tabling to Council	Office of the MM	Municipal Manager	Internal Process	17 March 2017	
72		Municipal Manager submit draft IDP, Budget, and Related Policies to Director Corporate Services for inclusion in Council Meeting Agenda	Office of the MM	Municipal Manager	Internal Process	22 March 2017	
73		Table ( <b>and briefing of council</b> ) draft IDP, Budget, SDBIP and Related policies and proposed schedule of Ward Committee Meetings for IDP & Budget Feedback/Consultation Process to Council (Principal Approval)	Office of the MM	Municipal Manager	MFMA S16	29 March 2017	
<b>Item No</b>	<b>Period</b>	<b>Activity</b>	<b>Co – Co-ordinating Department</b>	<b>Responsibility</b>	<b>Legislative Requirement and Information</b>	<b>Target date</b>	<b>Progress against target &amp; Comments</b>
74	<b>Mar 2017</b>	Training workshop for councillors to equip councillors for Public participation meetings. Briefing of councillors on logistical arrangements for public participation meetings.	Office of the MM	Municipal Manager Senior Managers	MFMA	29 March 2017	
74		Council to Consider and adopt an oversight report on 2015/16 Annual Report	Office of the MM	Municipal Manager	MFMA S129(1)	29 March 2017	
75	<b>April 2017</b>	Advertise & Inviting public comments on Draft Budget, Proposed Tariffs, and IDP Place copies of Draft Budget and IDP at all municipal buildings.	Corporate Services BTO	Municipal Manager CFO	MBRR S15 MFMA S22	3 April 2017 (Advertise) 4 – 26 April 2017 (public comments)	

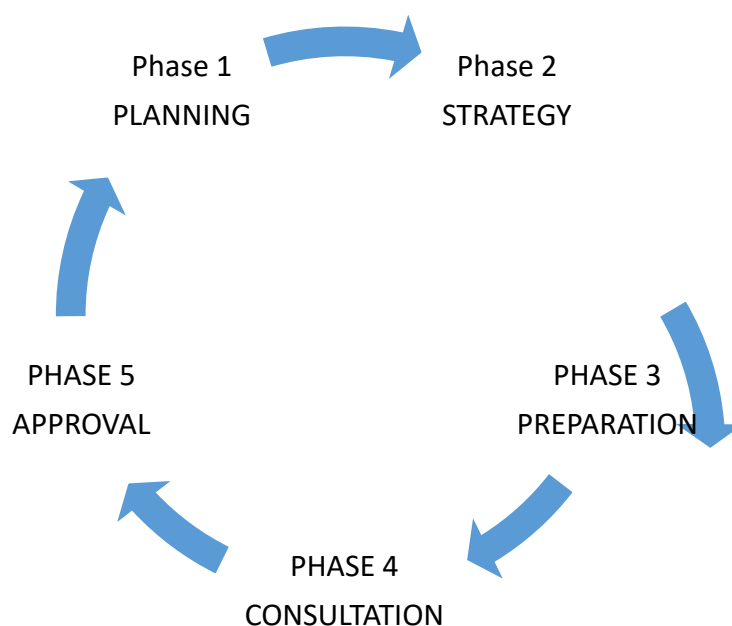
76	April 2017	Forward Copy of preliminary approved Budget ,IDP, SDBIP & related documents (hard and electronic copies) to National & Provincial Treasury – 10 working days after tabling	Office of the MM	CFO IDP Manager	MFMA S22(b)	12 April 2017	
77		Attend District IDP Managers Forum- Present Draft IDP for input.	IDP Office	IDP Manager	Internal Process	14 April 2017	
78		Public Consultation Meetings: Feedback / Consultation on preliminary approved IDP & Budget	Office of the MM	Municipal Manager Senior Managers	MBRR S15 MFMA S23	17 – 21 April 2017	
79		Engagement with the Provincial Treasury on draft budget benchmark	Office of the MM	Municipal Manager	MFMA Ch 5	5 April 2017	
80		CFO and Director Corporate Service analyse public and Ward Committee comments and inputs on Draft IDP and Budget and prepare recommendations for Council's perusal	Corporate Services BTO	CFO Municipal Manager	MBRR S16(1)(a)	28 April 2017	
81		Submit Quarterly Report (Jan 2017 – Mar 2017) on implementation of budget and financial state of affairs to Council	Office of the MM	Mayor	MFMA s52(d)	28 April 2017	
82	May 2017	Council considers public and Government Departments comments and inputs and revised IDP, Budget and SDBIP if necessary.	Office of the MM	Municipal Manager	MBRR 16(1)(a)	3 – 11 May 2017	
83		Present Final IDP, Budget and final draft SDBIP to Steering Committees for quality Check (Including recommendations made by all stakeholders and Council)	IDP Office BTO	Steering Committee	MBRR 4	16 - 17 May 2017	
<b>Item No</b>	<b>Period</b>	<b>Activity</b>	<b>Co – Co-ordinating Department</b>	<b>Responsibility</b>	<b>Legislative Requirement and Information</b>	<b>Target date</b>	<b>Progress against target &amp; Comments</b>
84	May 2017	Table final IDP, budget & related documents to Council for approval.	Office of the MM	Municipal Manager	MFMA S24(1)	31 May 2017	
85	June 2017	Inform local community on approved IDP and Budget Detail – Place Newspaper Article and Copies at Libraries	Office of the MM	Municipal Manager	MBRR S18	5 June 2017	
86		Send copy of approved Budget, IDP, & related documents (incl. final draft SDBIP) to National and Provincial Governments and other stakeholders Ensure Signed Quality Certificate as per S5 of MBRR is also attached.	IDP Office BTO	CFO IDP Manager	MFMA S24(3)	14 June 2017	

87		Publication of Approved Budget and IDP within 10 workings days on Municipal Website	BTO IDP Office	CFO IDP Manager	MFMA S75(1)(a)	14 June 2017	
88		Submit draft SDBIP to Mayor within 14 days after approval of budget	Office of the MM	Municipal Manager	MFMA S69(3)(a)	14 June 2017	
89		Mayor approves the municipality's SDBIP within 28 days after the approval of the budget and submit hard and electronic copy to NT and PT	Mayor's Office	Mayor	MFMA S(53)(1)(c)(ii)	30 June 2017	
90		Place approved IDP, budget, SDBIP and related documents on CD for all councillors and distribute.	IDP Office	IDP Manager	Internal Process	30 June 2017	

## Proposed Schedule for 2017/18 IDP and Budget Public Engagement Sessions

Date	Day	Time	Topic	Ward	Venue	Ward Councillor	Facilitator	Admin Support	Senior Management Representative
17 April 2016	Monday	17H30	Draft Budget & IDP	1					
18 April 2016	Tuesday	17H30	Draft Budget & IDP	2					
19 April 2016	Wednesday	17H30	Draft Budget & IDP	3					
20 April 2016	Thursday	17H30	Draft Budget & IDP	4					
21 April 2016	Thursday	17H30	Draft Budget & IDP						

The phase in the IDP & Budget process have been indicated in the in the diagram below. The process speaks to planning, preparation. Implementation and monitoring on the IDP, Budget and PMS.



PHASE	ACTIVITIES	DIRECTORATE/STRUCTURE
Preparation	<ul style="list-style-type: none"> <li>Approval of IDP proses Plan</li> <li>Information session with Ward Committees</li> </ul>	<ul style="list-style-type: none"> <li>Council</li> <li>Community Services</li> </ul>
Analysis	<ul style="list-style-type: none"> <li>Conduct a community needs analysis through a comprehensive process public participation</li> <li>Conduct a socio-economic analysis</li> <li>Conduct ward-based plans</li> <li>Conduct organizational SWOT analysis</li> </ul>	<ul style="list-style-type: none"> <li>Mayor</li> <li>MM/Directors/Managers</li> <li>Community Services</li> <li>MM</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>Develop strategic objectives through strategic planning session of council</li> <li>Set specific service delivery and development targets</li> <li>Review Sector Plans</li> </ul>	<ul style="list-style-type: none"> <li>Council</li> <li>Council</li> <li>MM/Directors/Managers</li> </ul>
Project	<ul style="list-style-type: none"> <li>Develop business plans to give effect to the strategic objectives of Council</li> </ul>	<ul style="list-style-type: none"> <li>Directors/Managers</li> </ul>
Integration	<ul style="list-style-type: none"> <li>Horizontal &amp; vertical alignment of council strategic objectives with other spheres of government</li> </ul>	<ul style="list-style-type: none"> <li>Municipal Manager</li> </ul>
	<ul style="list-style-type: none"> <li>Actively participate in relevant</li> </ul>	<ul style="list-style-type: none"> <li>Council</li> </ul>



	inter-governmental engagements	<ul style="list-style-type: none"> <li>• MM/Directors/Managers</li> </ul>
Approval	<ul style="list-style-type: none"> <li>• Apply all legislative requirements to ensure the credibility of the IDP process</li> </ul>	<ul style="list-style-type: none"> <li>• Mayor</li> <li>• Council</li> </ul>

## 2.13 IDP REVIEW PROCESS

Interms of the MSA No.32 of 2000 section 34 a municipal council

(a) Must review its integrated development plan

- (i) Annually in accordance with an assessment of its performance measurements in terms of section 41 (1) and
- (ii) To the extent that changing circumstances so demand; and

(b) May amend its intergrated development plan in accordance with a prescribed process.”

The annual review process thus relates to the assessment of the municipality's performance against organizational objectives as well as service delivery taking cognizance of internal and external circumstances that might have arisen subsequent to the adoption of the previous IDP. The review and amendment process must also adhere to the requirements for public participation as articulated in Chapter 4 of the MSA of (2000).

During this annual review process we need to collate a lot of information to guide us.

## 2.14 PHASE 1: ANALYSIS

This phase dealt with the existing situation and focused on the type of problems faced by people in Karoo Hoogland Municipality. The problems identified were weighed according to their urgency and / or importance to come up with those to be addressed first, i.e. priority issues. This phase also dealt with identification of existing economic potential in areas and specific communities. The Municipality had to further familiarize itself with existing and accessible resources and limitations in order to decide on realistic solutions.

The outputs of this phase are:

- Intensive public participation process per ward to gather information regarding possible potential as well as problems hampering socio-economic development
- Assessment of existing level of development
- Priority issues
- Information on causes of priority issues
- Information on available resources

## 2.15 PHASE 2: STRATEGIES

This phase focused on formulating solutions to address the problems identified. It also focused on aligning Municipal strategies to provincial and national guidelines and strategies as indicated in the Provincial Growth and Development Strategy (PGDS) and National Planning Documents. This phase included the formulation of:

- The vision – a statement indicating the ideal situation Karoo Hoogland Municipality would like to achieve in the long term
- Development objectives – statements of what Karoo Hoogland Municipality would like to achieve in the medium term in order to address the issues and also contribute to the realization of the vision. Objectives bridge the gap between the current reality and the vision.
- Development Strategies – provide answers to the question of how Karoo Hoogland Municipality will reach its objectives. They are strategic decisions about the most appropriate ways and means to achieve the objectives

## **2.16 PHASE 3: PROJECTS**

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This phase is about the identification and design of projects linked to strategies, for implementation.

The outputs of this phase include:

- Performance indicators
- Project outputs, targets and location
- Project related activities and time schedules
- Cost and budget estimates

## **2.17 PHASE 4: INTEGRATION**

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In this phase Karoo Hoogland made sure that projects are in line with the Municipality's objectives and strategies, as well as with the resource framework and comply with legal requirements. This was further an opportunity for the Municipality to harmonize the projects in terms of contents, location and timing in order to arrive at consolidated and integrated programmes, e.g. LED strategy

The output of this phase is an operational strategy which includes:

- Service Delivery Budget Implementation Plan

## **2.18 PHASE 5: APPROVAL**

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Once the IDP was completed and reviewed, the Municipality gave an opportunity to the public to comment on the draft document. Furthermore it was submitted to council for consideration and approval. Only after the IDP was amended according to input from the public, did council consider it for approval.

Under the new constitution, Karoo Hoogland Municipality has been awarded major developmental responsibilities to ensure that the quality of life for its citizens is improved. The new role for local government includes provision of basic services, creation of jobs, promoting democracy and accountability and eradication of poverty. Preparing and having the IDP therefore enables Karoo Hoogland Municipality to be able to manage the process of fulfilling its development responsibilities.

Through the IDP, the Municipality is informed about the problems affecting the Karoo Hoogland municipal area and, being guided by information on available resources, is able to develop and implement appropriate strategies and projects to address the problems.

Any planning guidelines have to keep in mind that planning is not an end in itself, but a tool to arrive at more appropriate effective and speedy delivery of services to the people. Keeping a close and transparent link between planning, improved public management and delivery is, therefore, the most important guiding principle for the guidelines.

## **2.19 COMMUNITY PARTICIPATION**

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Community participation is an integral part and the heart of integrated development planning process; hence the municipality also embarks on a programme known as the Community Consultation Programme. The municipality undertakes its own community participation programme twice in a financial year cycle. The first consultation process is done during the analysis phase wherein municipal officials meet with various stakeholders at ward level to collect service delivery data. The second consultation is conducted after the adoption of the draft IDP document of the next financial year. In addition to this engagement there are various other stakeholder meetings such as IDP Managers' Forum, IDP Rep Forum, and District Development Planning Forum which comprise a wider representation of stakeholders, ranging from business, labour, civil society, Ward committees and Councillors as well as members of the public among others. The core processes are implementation, evaluation and monitoring of the IDP programmes/projects.

## **2.20 COMMUNITY PRIORITY NEEDS PER WARD**

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The municipality's consultation process has culminated in the identification of various delivery needs and priorities. The service delivery identified as priorities at various wards in the Karoo Hoogland Municipality have been summarized to inform the IDP and budget process.

Karoo Hoogland Municipality would endeavor to engage with responsible district, provincial and national departments in ensuring implementation of projects aimed at attaining ward specific priorities. The below mentioned community needs emanates from the stakeholders engagement and community participation conducted when developing

the 2018/2019 IDP document. The needs tabled below are those emanating from the previous consultations including the 2018/2019 consultations.

Needs as identified by the communities will be funded in projects through the municipalities **Capital** and **Operational** budget as well as projects from other spheres of government.

The municipality do submit business plans for projects to the different spheres of government as indicated above.

Please see list below as prioritized by the communities through the public participation process.

WILLISTON	
WARD	NEEDS PER WARD
1.	<b><u>Community Services</u></b>
	SMME Training
	Policy for graveyard
	Playgrounds and pick nick spots
	Upgrading of Jan Simpson Hall
	Sterilization of Dogs
	Small Scale Farmers Assistance
	Use of Department of Health Facilities
	Housing
	<b><u>Finances</u></b>
	Subsidy for middle income home owners
	Erven for middle income home owners
	Upgrading of Bergstraat
	<b><u>Infrastructure</u></b>
	Better water resources
	Speedbumps
	Disaster funding
	Paving of Streets
	Eradication of UDS toilets

FRASERBURG	
WARD	NEEDS PER WARD
2.	<b><u>Community Services</u></b>
	Eradication of UDS Toilets
	Protection of Corbell Houses
	Protection of Museum
	Protection of Paleo Surface
	Upgrading of 10 km community park
	Small Scale Farmers Assistance
	Housing

	<b><u>Finances</u></b>
	Writing of Policy
	Upgrading of vehicles
	Bulk sms, emails for meetings
	<b><u>Infrastructure</u></b>
	Firefighting equipment
	Maintenance of Street lights
	Maintenance of Tar Roads
	Maintenance of gravel roads

SUTHEL RAND	
WARD	NEEDS PER WARD
4.	<b><u>Community Services</u></b>
	Upgrading of RDP houses
	New RDP Houses
	Playparks for kids
	Service Delivery from Sector Departments
	More active sporting codes/clubs
	SMME Development
	License Testing Centre for Sutherland
	Commonage land for Small Scale Farmers
	Housing
	<b><u>Finances</u></b>
	Maintenance and upgrade of Street lights
	EPWP Rate to low
	More black bags
	Credit Control
	<b><u>Infrastructure</u></b>
	RDP Houses
	Speedbumps
	Bridge for School Kids
	Eradication of UDS Toilets
	Paving of Streets
	Maintenance of gravel roads
	Playparks

## CHAPTER THREE: SITUATIONAL ANALYSIS

In this section an overview is provided of the important socio-economic indicators and trends of the Karoo Hoogland Municipality highlighting issues of concern in terms of challenges that the municipality currently experiences. As a basis of reference the municipality has considered the demographic information that was provided by Stats SA census 2011, Provincial treasury comparative analysis Namakwa District and Global insight.

According to Global Insight (2015) the total population is the total number of people within a region the middle of the respective year. It therefore includes all residents' nonresidents and individuals of any age gender and population group. It is important to analyses the population trends and profile as it provides a better understanding of the community that is being served. Population analysis is also important for policy development planning and budgeting for the district and its local communities.

Geographically the district is the biggest in terms of its size land when compared to other districts in the province however it has the smallest population size. The population size of the district decreased form 116 230 in 2004 to 115 952 in 2014 this shows a small percentage change of -0.02 in the population size between these years. Richtersveld and Karoo Hoogland are the only two municipalities that experience positive population growth between 2004 and 2014.

Karoo Hooogland is situated in the most Southern part of the Northern Cape and falls within the area of jurisdiction of Namaqua District Municipality with its head office located in Springbok. The three main towns in Karoo Hoogland are Williston, Fraserburg and Sutherland which are respectively 499 km, 592 km and 539 km from Springbok.

The Karoo Hoogland Municipality was established in 2000 as category B Municipality as determine in terms of municipal structures act (1998). The Karoo Hoogland Municipality has collective executive system as contemplated in section 2(a) of the Northern Province Determination of types of Municipalities Act (2000).

The Karoo Hoogland is predominantly rural in nature with a high unemployment rate resulting in high poverty levelsand is linked with many other places through shared environmental, social and economic systems and structures.

The Karoo Hoogland Municipality is also integral to the provinces of Western Cape Province and has significant development potential in sectors such as agriculture (both horticulture and livestock), tourism and mining (Renewable Energy).

### **The Municipal Area is divided into 4 wards.**

Ward 1	Williston
Ward 2	Fraserburg
Ward 3	Rural Areas
Ward 4	Sutherland

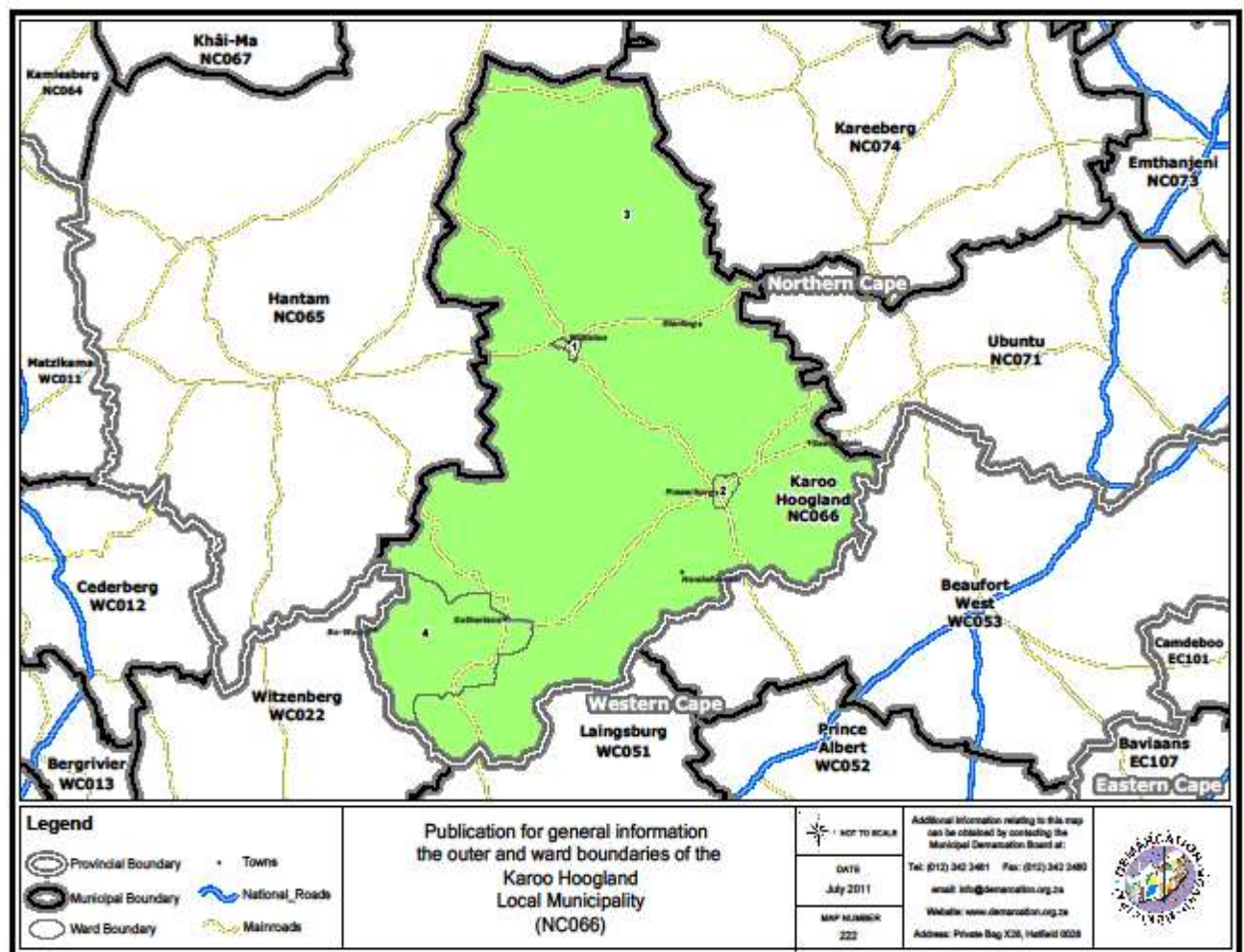
The Municipal Council of Karoo consists of 7 members. Four (4) represents wards and three (3) are proportional representatives of political parties.



The seven Current councillors represent the following political parties:

Elected on 10 August 2016

Councillor (Ms) VC Wentzel	ANC	(Mayor/Speaker)
Councillor (Ms) AM Januarie	COPE	
Councillor JE Davids	ANC	
Councillor G Klazen	ANC	Chief Whip
Councillor JJ Van Der Colff	DA	
Councillor JJ Jacobs	DA	
Councillor J Jooste	ANC	



Prioritized areas of potential in the whole Municipality include:

- Tourism, i.e. eco-tourism, agri-tourism and astro-tourism
- Existing infrastructure, i.e. basic services and roads
- Youth i.e. economically, socially
- Apprenticeships & skills development

- Churches and social organizations

### 3.1 SOCIO ECONOMIC PROFILE

The purpose of this section is to provide an overview of the current socio-economic situation within the Namakwa District and Karoo Hoogland Local Municipality. This is done mainly to provide an indication of the overall performance of the Local economic and social characteristics.

### 3.2 DEMOGRAPHY

Demography is the study of human population. It looks at characteristics as the structure and change in births, deaths and migration trends. It is important to have demographic analyses as it contributes to municipal policies and strategic documents such as the Integrated Development Plan (IDP). This chapter will only focus on the following indicators: population growth gender distribution population density and urbanisation.

The Namakwa District Municipality comprises of six local municipalities namely Nama Khoi (Springbok) Hantam (Calvinia) Khai Ma (Pofadder), Kammiesberg (Garies) Karoo Hoogland (Williston) and Richtersveld (Port Nolloth).

The purpose of this section is to provide an overview of the current socio-economic situation within the Karoo Hoogland Local Municipality. This is done mainly to provide an indication of the overall performance of the economic and social characteristics. Although the census data became available in 2012 no detailed analysis were done in the previous year.

The municipality is sparsely populated with a population of **12 588** Karoo Hoogland Municipality is the third highest in the district with a growth 19.75% between 2001 to 2011.

### 3.3 THE POPULATION OF KAROO HOOGLAND

#### Demographics

**Table 1: Population by sex, 1996-2016**

1996			2001			2011			2016*		
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
6 020	6 367	<b>12 387</b>	5 006	5 506	<b>10 512</b>	6 253	6 335	<b>12 588</b>	6 559	6 510	<b>13 069</b>

\* Note: Caution should be used by the reader when interpreting the values for municipalities in Namakwa due to the large out of scope Dwelling Units sampled for the survey.



Table 1 shows that the population of Karoo Hoogland has increased from 12 387 persons in 1996 to 13 069 persons in 2016. The number of males increased by 539 persons from 6 020 persons in 1996 to 6 559 persons in 2016, whilst the number of females increased marginally by 143 persons over the same period. Gender proportions show there are more males than females in the municipality.

**Figure 1: Distribution of the population of Namakwa district by local municipality, 2016**

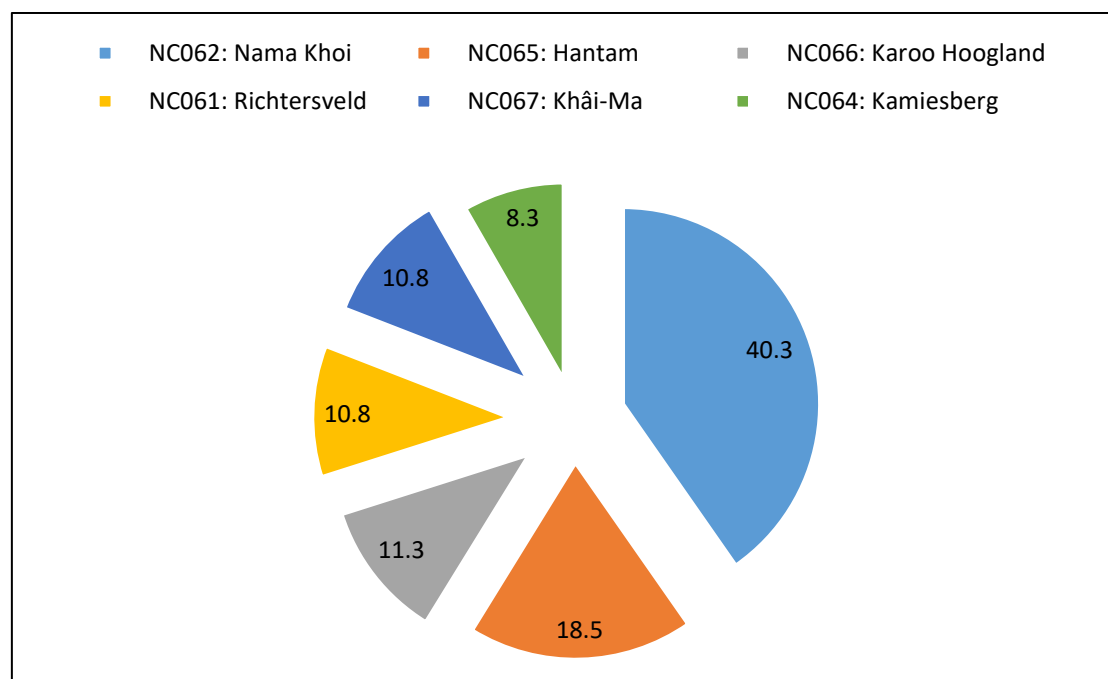


Figure 1 indicates that Nama Khoi municipality had a 40.3% share of the total population in Namakwa district. This was followed by Hantam, Karoo Hoogland, Richtersveld, Khâi-Ma and Kamiesberg local municipalities with 18.5%, 11.3%, 10.8%, 10.8 and 8.3% respectively of the total district population.

**Figure 2: Percentage distribution of the population in Karoo Hoogland by sex, 2016**

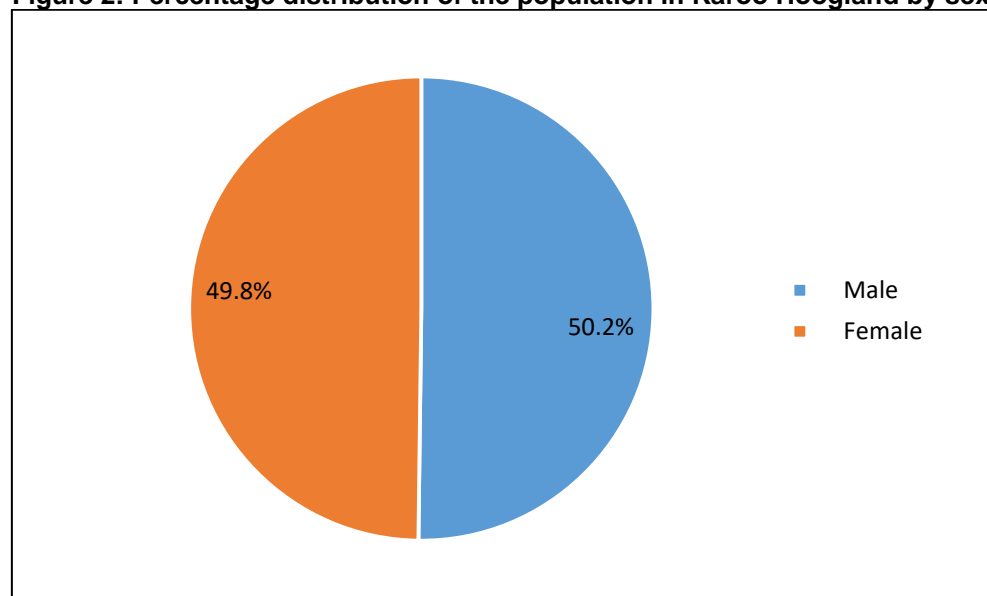


Figure 2 depicts a greater proportion of males than females in Karoo Hoogland municipality, at 50.2% and 49.8% respectively.

**Table 2: Population by group type, 1996-2016**

	1996	2001	2011	2016
<b>Coloured</b>	9 865	8 348	9 934	10 319
<b>White</b>	2 290	1 866	1 832	2 616
<b>Black African</b>	98	285	694	88
<b>Indian or Asian</b>	1	13	83	45
<b>Other</b>	-	-	45	-
<b>Unspecified</b>	133	-	-	-
<b>Total</b>	<b>12 387</b>	<b>10 512</b>	<b>12 588</b>	<b>13 068</b>

Table 2 summarizes the number of persons by population by group type from 1996 to 2016. There was an increase in the Coloured, Indian/Asian and White population groups from 1996 to 2016, whilst the Black African population group shows a decline over the same period. There is a greater proportional increase in the Coloured, followed by the White population over the past 20 years.

**Figure 3: Percentage distribution of the population by group type, 2016**

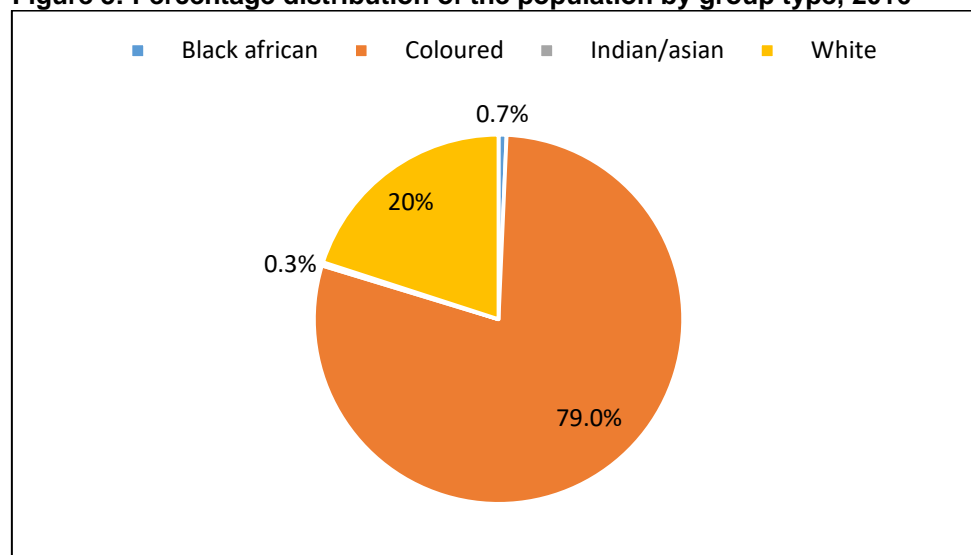


Figure 3 outlines the percentage distribution of the population of Karoo Hoogland in 2016, where the Coloured population group accounts for 79.0% of the population of the municipality, followed by the White, Black African and Indian/Asian population groups.

**Table 3: Population by 5 year age groups and sex, 1996-2016**

	1996			2001			2011			2 016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>00 - 04</b>	602	631	<b>1 232</b>	546	538	<b>1 083</b>	558	584	<b>1 141</b>	490	420	<b>910</b>
<b>05 - 09</b>	654	612	<b>1 266</b>	512	536	<b>1 048</b>	644	537	<b>1 181</b>	431	501	<b>931</b>
<b>10 - 14</b>	593	639	<b>1 232</b>	499	496	<b>995</b>	609	551	<b>1 160</b>	510	483	<b>993</b>
<b>15 - 19</b>	485	451	<b>936</b>	378	423	<b>801</b>	515	502	<b>1 017</b>	541	486	<b>1 027</b>

20 - 24	482	477	959	296	321	617	384	415	799	555	612	1 167
25 - 29	512	503	1 016	378	378	757	390	370	760	942	561	1 503
30 - 34	452	468	920	379	449	828	371	351	722	669	682	1 351
35 - 39	396	404	800	394	404	798	441	478	918	697	364	1 061
40 - 44	365	395	760	335	337	672	456	449	905	503	362	865
45 - 49	318	328	646	262	341	603	449	430	879	278	334	612
50 - 54	245	279	524	255	249	504	360	331	691	276	314	590
55 - 59	267	268	535	199	238	437	302	339	642	180	249	429
60 - 64	192	238	430	191	220	411	237	272	509	169	103	272
65 - 69	154	176	330	136	193	329	226	255	481	112	122	234
70 - 74	109	140	249	96	134	231	143	175	318	56	90	146
75 - 79	71	100	171	73	107	181	62	113	175	88	178	266
80 - 84	35	83	117	47	81	128	45	76	121	48	-	48
85+	25	66	92	31	59	90	62	106	169	18	48	66
Unspec.	64	108	172	-	-	-	-	-	-	-	-	-
Total	6 021	6 366	12 387	5 007	5 504	10 513	6 254	6 334	12 588	6 563	5 909	12 471

Table 3 summarizes the population for Karoo Hoogland by five-year age group and sex. It shows a general decrease in the population for the ages from 0 to 14 years over the period 1996 to 2016. There is however a significant percentage increase in the proportion of the population aged 15 to 44 years.

**Figure 4: Distribution of the total population by age group and sex, 2016**

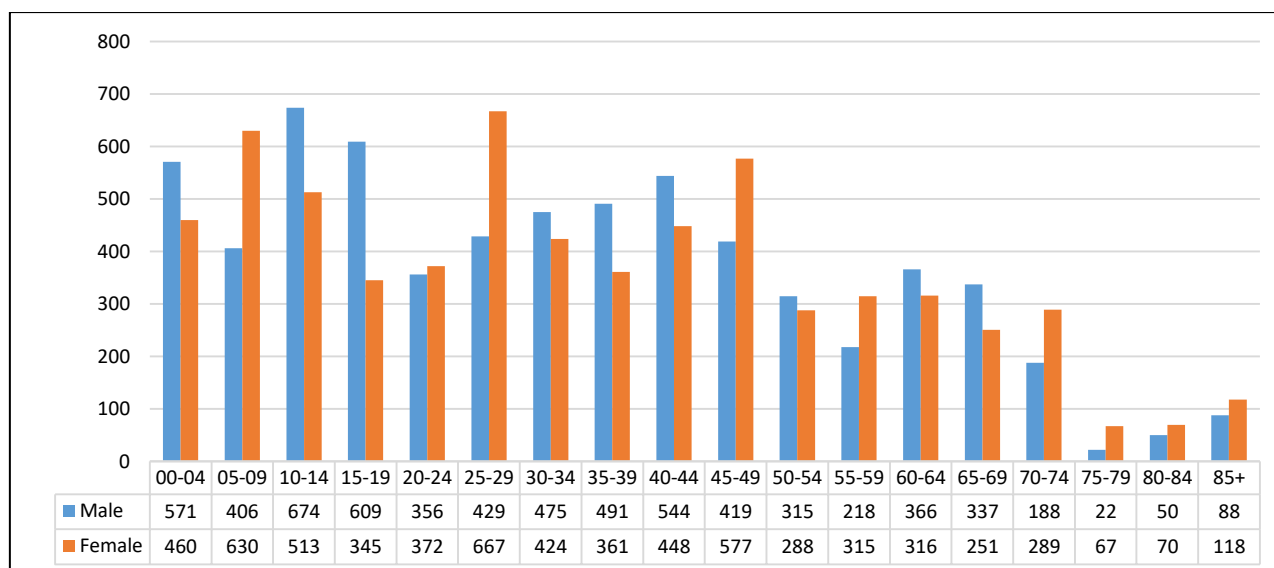


Figure 4 indicates that the greater proportion of the population in Karoo Hoogland is young, consisting mainly of children and youth. There is however a greater proportion of males compared to females for ages from 30 to 44 years, and the female population shows a slightly greater proportion in numbers compared to males for ages 70 and above. This signifies a greater lifespan for females than males.

**Figure 5: Distribution of the total population by age and group type, 2016**

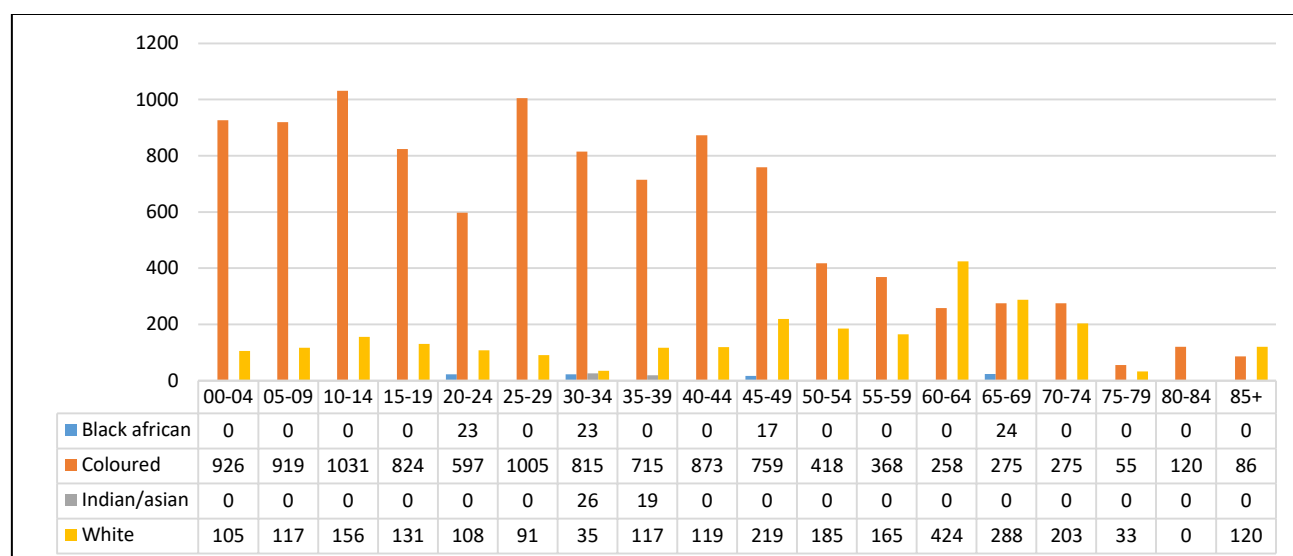


Figure 5 outlines the population distribution of Karoo Hoogland by five-year age groups and population group type. It shows that Coloureds are the dominant population group generally across all age cohorts with exception of the age groups 60-69 and 85+ years. This is followed by the White, Black African and Indian/Asian population groups respectively.

**Table 4: Distribution of persons aged 12 years and older by marital status, 2016**

Marital Status	Number	Percentage (%)
Single; and have never lived together as husband/wife/partner	3 685	35.1
Legally married (include customary; traditional; religious etc.)	3 631	34.6
Living together like husband and wife/partners	1 680	16.0
Widowed	924	8.8
Single; but have been living together with someone as	472	4.5
Separated; but still legally married	85	0.8
Divorced	28	0.3
<b>Total</b>	<b>10 505</b>	<b>100.0</b>

Table 4 shows that 35.1% of the population of Karoo Hoogland is single and has never lived together as husband/wife/partner. This is followed by those who are legally married (includes customary; traditional; religious at 34.6%, and those that are living together like husband and wife/partners (16.0%). About 0.3% of the population is divorced, whilst 0.8% are separated but still legally married.

**Table 5: Distribution of persons aged 1 year and older by language spoken most often in the household, 2016**

Language spoken in household	Number	Percentage (%)
Afrikaans	12 878	99.1
IsiXhosa	46	0.4
Other	45	0.3
English	32	0.2
<b>Total</b>	<b>13 001</b>	<b>100.0</b>

\*Excludes "unspecified"

Table 5 above shows that the language spoken mostly by households in Karoo Hoogland is Afrikaans, with 12 878 (99.1%) households speaking the language, followed by those who speak IsiXhosa (0.4%).

**Table 6: Distribution of religious belief, 2016**

Religious belief	Number	Percentage (%)
Christianity	12 910	99.1
Traditional African religion (e.g.	51	0.4
Islam	45	0.3
Hinduism	17	0.1
No religious affiliation/belief	7	0.1
<b>Total</b>	<b>13 030</b>	<b>100.0</b>

Table 6 shows that 99.1% of the population in Karoo Hoogland follows a Christian religious belief, followed by Traditional African (0.4%). About 0.1% of the population has no religious affiliation/belief.

**Table 7: Distribution of Christian denomination, 2016**

Christian denomination	Number	Percentage (%)
Reformed church (e.g. Dutch Reformed church; United	8 018	62.1
Just a christian/non-denominational	2 556	19.8
Pentecostal/Evangelistic (e.g. Assemblies of God; Born Again	730	5.7
Other	632	4.9
African Independent Church/African Initiated Church (e.g.	552	4.3
Anglican/Episcopalian	286	2.2
Do not know	62	0.5
Catholic	46	0.4
Methodist	18	0.1
Baptist	8	0.1
<b>Total</b>	<b>12 910</b>	<b>100.0</b>

\*Excludes "unspecified"

Table 7 indicates that 62.1% of the population of Karoo Hoogland municipality that follows the Christian religion belongs to the Reformed church, followed by those attending Christians and the Pentecostal/Evangelistic church denomination at 19.8% and 5.7% respectively.

## 2.2 Migration

**Table 8: Population by region of birth and population group type, 2016**

Region of birth	Black	Coloured	Indian/Asian	White	Percentage (%)
Born in South Africa	88	10 319	-	2 596	99.5
SADC	-	-	-	20	0.2
Asia	-	-	45	-	0.3
<b>Total</b>	<b>88</b>	<b>10 319</b>	<b>45</b>	<b>2 616</b>	<b>100.0</b>

\*Excludes "unspecified"

Table 8 shows that the majority of foreign nationals in Karoo Hoogland municipality were from Asia (45 persons), followed by SADC region (20 persons). In terms of population group type, majority of persons that are born outside South Africa residing in Karoo Hoogland were the Indian/Asians (45 persons), followed by the White population group (20 persons).

**Table 9: Top sending countries by sex, 2016**

Country	Number			Percentage (%)		
	Male	Female	Total	Male	Female	Total
Bangladesh	45	0	45	100.0	0.0	69.2
Zimbabwe	0	19	19	0.0	95.0	29.2
Namibia	0	1	1	0.0	5.0	1.5
<b>Total</b>	<b>45</b>	<b>20</b>	<b>65</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Table 9 depicts that 69.2% of foreign nationals in Karoo Hoogland are from Bangladesh, followed by Zimbabwe (29.2%), and Namibia (1.5%).

**Figure 6: Percentage distribution of persons born outside South Africa by age group, 2016**

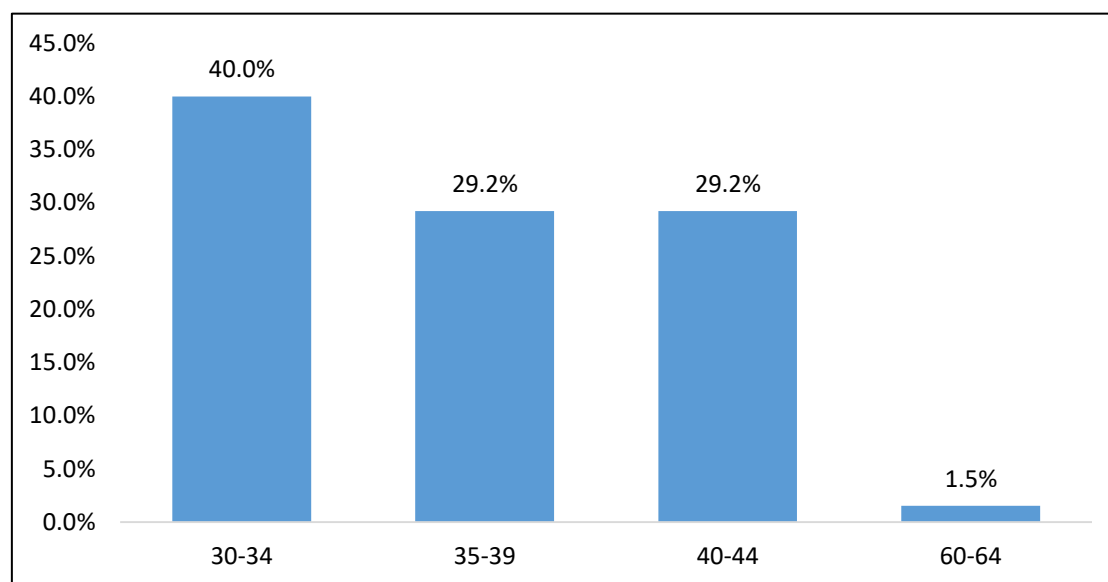


Figure 6 outlines that the majority of foreign nationals residing in Karoo Hoogland municipality are mostly youth, between 30 and 34 years (40.0%).

**Table 10: Reasons for moving to current place of residence, 2016**

Reasons for moving to current place	Number	Percentage (%)
Job transfer/take up new job opportunity	448	29.4
Look for paid work	310	20.3
Moving to live with or be closer to spouse (marriage)	248	16.3
Education(e.g. studying; schooling; training)	123	8.0
Moving as a household with a household member (for health	102	6.7
Start a business	82	5.4
Other	67	4.4
Health(e.g poor/ill health)	57	3.8
New dwelling for household	40	2.6
Retirement	34	2.2
Other business reasons(e.g. expansion of business)	15	1.0
<b>Total</b>	<b>1 524</b>	<b>100.0</b>

\*Excludes "do not know" and "unspecified"

Table 10 shows that amongst other reasons why persons had moved to their current place of residence in Karoo Hoogland it's mainly due to: a job transfer or taking up a new job opportunity (29.4%), looking for paid work (20.3%), and moving to live with or be closer to a spouse (marriage) (16.3%). Other reasons include education (8%), and moving as a household with a household member for health reasons (6.7%).

## 2.3 Disability

Table 11: Disability type and degree of difficulty in functioning by sex, 2016

Disability type	Degree of difficulty	Male	Female	Total
Seeing	No difficulty	5 001	4 667	9 668
	Some difficulty	827	1 098	1 925
	A lot of difficulty	144	250	394
	Cannot do at all	-	-	-
	Do not know	-	-	-
	<b>Total</b>	<b>5 972</b>	<b>6 015</b>	<b>11 987</b>
Hearing	No difficulty	5 560	5 599	11 159
	Some difficulty	346	349	695
	A lot of difficulty	66	67	133
	Cannot do at all	-	-	-
	Do not know	-	-	-
	<b>Total</b>	<b>5 972</b>	<b>6 015</b>	<b>11 987</b>
Communication	No difficulty	5 897	5 917	11 813
	Some difficulty	59	83	143
	A lot of difficulty	-	15	15
	Cannot do at all	16	-	16
	Do not know	-	-	-
	<b>Total</b>	<b>5 972</b>	<b>6 015</b>	<b>11 987</b>
Walking or climbing stairs	No difficulty	5 532	5 298	10 830
	Some difficulty	285	501	786
	A lot of difficulty	155	160	315
	Cannot do at all	-	56	56
	Do not know	-	-	-
	<b>Total</b>	<b>5 972</b>	<b>6 015</b>	<b>11 987</b>
Remembering	No difficulty	5 247	5 188	10 435
	Some difficulty	546	649	1 195
	A lot of difficulty	179	145	324
	Cannot do at all	-	33	33
	Do not know	-	-	-
	<b>Total</b>	<b>5 972</b>	<b>6 015</b>	<b>11 987</b>
Self-care	No difficulty	5 830	5 880	11 710
	Some difficulty	88	84	172
	A lot of difficulty	37	30	68
	Cannot do at all	16	21	37
	Do not know	-	-	-
	<b>Total</b>	<b>5 971</b>	<b>6 015</b>	<b>11 987</b>

\*Excludes "unspecified"

Table 11 shows persons in Karoo Hoogland by disability type and degree of difficulty, where there majority of persons are mainly suffering from sight disability/impairment, with an estimated 394 persons having a lot of difficulty seeing. This is followed by those with a lot of difficulty with memory (remembering) with 324 persons. Females are generally more susceptible to having disabilities than males in the municipality.

## 2.4 Education

**Table 12: Highest level of education for persons aged 20 years and above, 1996-2016**

	No schooling	Some Primary	Complete Primary	Some Secondary	Grade 12/Std 10	Higher	Total
<b>Number</b>							
<b>1996</b>	3 632	2 989	792	2 070	746	604	<b>10 833</b>
<b>2001</b>	2 273	2 868	684	2 116	956	532	<b>9 429</b>
<b>2011</b>	1 617	3 579	827	2 643	1 337	659	<b>10 663</b>
<b>2016</b>	1 161	1 227	734	2 264	2 298	1 008	<b>8 692</b>
<b>Percent (%)</b>							
<b>1996</b>	33.5	27.6	7.3	19.1	6.9	5.6	<b>100.0</b>
<b>2001</b>	24.1	30.4	7.2	22.4	10.1	5.6	<b>100.0</b>
<b>2011</b>	15.2	33.6	7.8	24.8	12.5	6.2	<b>100.0</b>
<b>2016</b>	13.4	14.1	8.4	26.1	26.4	11.6	<b>100.0</b>

\*Excludes “do not know” and “unspecified”

Table 12 shows an improvement in the level of education in Karoo Hoogland over the period 1996 to 2016, where there was a decline in the number and percentage of persons aged 20 years and above with no schooling (from 33.5% to 13.4%). There is an improvement in the number and percentage of persons with a higher education, from 5.6% in 1996 to 11.6% in 2016. There is also a significant increase observed in the proportion of persons who have Grade 12/Standard 10.

**Table 13: Highest level of education by population group for persons aged 20 years and above, 2016**

	No schooling	Some Primary	Complete Primary	Some Secondary	Grade 12/Std 10	Higher	Total
<b>Number</b>							
<b>Black African</b>	24	40	23	-	-	-	<b>88</b>
<b>Coloured</b>	2 029	3 104	840	2 814	1 225	121	<b>10 132</b>
<b>Indian/Asian</b>	-	26	19	-	-	-	<b>45</b>
<b>White</b>	105	263	81	126	1 155	887	<b>2 616</b>
<b>Percent (%)</b>							
<b>Black African</b>	27.7	45.7	26.6	-	-	-	<b>100.0</b>
<b>Coloured</b>	20.0	30.6	8.3	27.8	12.1	1.2	<b>100.0</b>
<b>Indian/Asian</b>	-	57.5	42.5	-	-	-	<b>100.0</b>
<b>White</b>	4.0	10.0	3.1	4.8	44.1	33.9	<b>100.0</b>

\*Excludes “do not know” and “unspecified”

Table 13 shows that 27.7% of the Black Africans in Karoo Hoogland municipality have no schooling when compared to other population groups, followed by the Coloured population group (20%). It shows that the White population group is better educated compared to other population groups.

**Table 14: Mode of transport used to go to educational institution, 2016**

Mode of transport used	Number
Walking	2 449
Own car/private vehicle	177



Vehicle hired by group of parents/students	52
Minibus taxi/sedan taxi	22
Bus (public)	18
Bicycle	17
Vehicle provided by institution	10

\*Excludes “do not know” and “unspecified”

Table 14 shows that a total of 2 449 learners/students in Karoo Hoogland were walking to their educational institutions in 2016. This is followed by those who use their own car/private vehicle (177). About 52 learners/students use a vehicle hired by a group of parents/students when going to school, and a further 22 use a minibus taxi/sedan taxi as their main mode of transport when going to an educational institution. Only about 17 use a bicycle to go to school.

### 3. The households of Karoo Hoogland

#### 3.1 Household information

**Table 15: Number of households by household size, 1996-2016**

	1	2	3	4	5	6	7	8	9	10+	Total
<b>1996</b>	647	883	616	441	275	168	83	95	90	94	<b>3 392</b>
<b>2001</b>	616	803	566	542	259	134	98	50	39	61	<b>3 168</b>
<b>2011</b>	806	1 131	704	575	309	190	94	53	30	53	<b>3 945</b>
<b>2016</b>	654	1 446	1 230	563	363	154	100	67	35	43	<b>4 655</b>

\*Excludes “do not know” and “unspecified”

Table 15 shows that the total number of households in Karoo Hoogland increased over the period 1996 to 2016, from 3 392 to 4 655. It also shows a significant increase in the number of two-person households, from 883 households in 1996 to 1 446 households in 2016.

**Table 16: Percentage distribution of households by household size, 1996-2016**

	1	2	3	4	5	6	7	8	9	10+	Total
<b>1996</b>	19.1	26.0	18.2	13.0	8.1	5.0	2.4	2.8	2.7	2.8	<b>100.0</b>
<b>2001</b>	19.4	25.3	17.9	17.1	8.2	4.2	3.1	1.6	1.2	1.9	<b>100.0</b>
<b>2011</b>	20.4	28.7	17.8	14.6	7.8	4.8	2.4	1.3	0.8	1.3	<b>100.0</b>
<b>2016</b>	14.0	31.1	26.4	12.1	7.8	3.3	2.1	1.4	0.8	0.9	<b>100.0</b>

\*Excludes “do not know” and “unspecified”

Table 16 shows that in 2016 there was a higher percentage for two-person households when compared to other household sizes at 31.1%, this is followed by three-person households at 26.4% of the total number of households in Karoo Hoogland.

**Table 17: Household head by sex, 1996-2016**

	1996	2001	2011	2016
<b>Male</b>	2 505	2 196	2 709	3 157
<b>Female</b>	844	948	1 208	1 497
<b>Total</b>	<b>3 349</b>	<b>3 144</b>	<b>3 917</b>	<b>4 654</b>

Table 17 shows a more significant increase in the number of female-headed households when compared to male-headed households in Karoo Hoogland over the period 1996 to

2016. Male-headed households increased from 2 505 in 1996 to 3 157 in 2016, whilst those headed by females increased from 844 in 1996 to 1 497 in 2016.

**Table 18: Percentage distribution of households by sex of household head, 1996-2016**

	1996	2001	2011	2016
<b>Male</b>	74.8	69.8	69.2	67.8
<b>Female</b>	25.2	30.2	30.8	32.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Table 18 shows an increase in the proportion of female-headed households in Karoo Hoogland over the period 1996 to 2016, where the proportion of female-headed households increased from 25.2% in 1996 to 32.2% in 2016. The proportion of male-headed households has decreased over the same period, from 74.8% 1996 to 67.8% in 2016.

### 3.2 Perceptions on municipal services

**Table 19: Household perceptions on difficulties facing the municipality, 2016**

Difficulty facing the municipality	Number	Percent (%)
None	2 084	44.8
Other	757	16.3
Cost of electricity	367	7.9
Inadequate roads	337	7.2
Inadequate housing	250	5.4
Cost of water	194	4.2
Drug abuse	141	3.0
Lack of safe and reliable water supply	99	2.1
Inadequate sanitation/sewerage/toilet services	97	2.1
Lack of/inadequate employment opportunities	90	1.9
Lack of reliable electricity supply	63	1.4
Alcohol abuse	60	1.3
Inadequate refuse/waste removal	42	0.9
Lack of/inadequate healthcare services	40	0.9
Corruption	21	0.5
Lack of/inadequate parks and recreational area	11	0.2
<b>Total</b>	<b>4 653</b>	<b>100.0</b>

Table 19 shows that 7.9% of households in Karoo Hoogland feel that the cost of electricity charged by the municipality is high. This is followed by those reporting inadequate roads (7.2%). About 5.4% perceived inadequate housing as being the major challenge facing the municipality, whilst 4.2% complaining about the high cost of water, and 3.0% saying drug abuse is problematic in their areas of residence.

### 3.2 Housing and dwelling information

**Table 20: Type of dwelling occupied by household, 1996-2016**

	Formal dwelling	Traditional dwelling	Informal dwelling	Other	Total
<b>1996</b>	95.8	0.9	0.9	0.7	<b>100.0</b>
<b>2001</b>	87.8	2.5	2.4	0.9	<b>100.0</b>
<b>2011</b>	94.4	0.4	1.8	0.8	<b>100.0</b>
<b>2016</b>	99.5	0.0	0.4	0.1	<b>100.0</b>

\*Excludes "do not know" and "unspecified"

Table 20 shows an increase in the proportion of households staying in formal dwellings in Karoo Hoogland. Households occupying formal dwellings increased by 3.7% from 95.8%

in 1996 to 99.5% in 2016. There is a slight decrease in the proportion of informal dwellings, from 0.9% in 1996 to 0.4% in 2016. The proportion of traditional dwellings decreased over this period.

**Table 21: Tenure status of households, 2001-2016**

	Owned	Rented	Occupied rent-free	Other	Total
<b>2001</b>	55.3	14.3	30.4	0.0	<b>100.0</b>
<b>2011</b>	47.3	20.2	31.5	1.0	<b>100.0</b>
<b>2016</b>	68.4	9.1	10.8	11.7	<b>100.0</b>

\*Excludes "do not know" and "unspecified"

Table 21 shows an increase of 13.1% in the proportion of dwellings owned by households in Karoo Hoogland, from 55.3% in 2001 to 68.4% in 2016. There is a significant decline in the proportion of households that are occupied rent-free, from 30.4% in 2001 to 10.8% in 2016.

### 3.3 Household services

**Table 22: Type of refuse removal used by household, 1996-2016**

	Removed by local authority at least once a week	Removed by local authority less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other	Total
<b>1996</b>	50.7	0.1	1.3	47.2	0.6	0.0	<b>100.0</b>
<b>2001</b>	59.5	0.3	0.9	38.3	1.0	0.0	<b>100.0</b>
<b>2011</b>	62.8	0.3	0.8	33.4	1.6	1.1	<b>100.0</b>
<b>2016</b>	57.8	0.5	0.4	40.2	0.2	1.0	<b>100.0</b>

\*Excludes "do not know" and "unspecified"

Table 22 shows an increase in the proportion of households in Karoo Hoogland whose refuse is removed by a local authority at least once a week, from 50.7% in 1996 to 57.8% in 2016. There was a decrease in the proportion of households that have no rubbish removal.

**Table 23: Type of sanitation facilities used by households, 1996-2016**

	Flush or chemical	Pit latrine	Bucket latrine	None of the above	Total
<b>1996</b>	38.7	13.0	26.0	22.1	<b>100.0</b>
<b>2001</b>	51.1	7.2	26.5	15.2	<b>100.0</b>
<b>2011</b>	57.7	31.5	1.1	9.7	<b>100.0</b>
<b>2016</b>	72.3	14.1	9.0	3.4	<b>100.0</b>

\*Excludes "do not know" and "unspecified"

Table 23 shows an increase in the proportion of households that use a flush or chemical toilet in Karoo Hoogland, from 38.7% in 1996 to 72.3% in 2016. There is an increase in the proportion of households using a pit latrine toilet from 1996 to 2016, and a significant decrease in the proportion of households that use a bucket latrine over the same period.

### 3.4 Energy sources

**Table 24: Main source of energy used for lighting, 1996-2016**

	Electricity from mains	Gas	Paraffin	Candles	Solar	Other	Total
<b>1996</b>	63.6	0.2	3.8	32.3	0.0	0.0	<b>100.0</b>
<b>2001</b>	66.7	0.2	0.8	23.6	5.1	3.6	<b>100.0</b>
<b>2011</b>	65.2	0.3	0.6	22.2	11.7	0.0	<b>100.0</b>
<b>2016</b>	67.3	0.2	0.4	3.2	27.3	1.6	<b>100.0</b>

\*Excludes “do not know” and “unspecified”

Table 24 shows an increase in the proportion of households using electricity connected to the mains for lighting in Karoo Hoogland local municipality, from 63.6% in 1996 to 67.3% in 2016. There is also an increase in the proportion of households that use renewable energy sources as the main source of energy for lighting.

### 3.5 Ownership of household goods

**Table 25: Household ownership of goods, 2016**

Ownership of goods	Number	% of total households
Electric/Gas stove	3 903	<b>83.8</b>
Television	3 779	<b>81.2</b>
Radio	3 426	<b>73.6</b>
Cell phone	3 365	<b>72.3</b>
Refrigerator/Freezer	3 157	<b>67.8</b>
Washing machine	2 622	<b>56.3</b>
Microwave oven	2 467	<b>53.0</b>
DVD player/Blu-ray player	2 276	<b>48.9</b>
Geyser	1 998	<b>42.9</b>
Motor vehicle	1 893	<b>40.7</b>
Satellite decoder	1 764	<b>37.9</b>
Landline	1 734	<b>37.3</b>
Vacuum cleaner/Floor polisher	1 488	<b>32.0</b>
Personal computer/Desktop Laptop	1 144	<b>24.6</b>
Home theatre system	1 035	<b>22.2</b>
Tablet/Phablet	814	<b>17.5</b>
Air conditioner	182	<b>3.9</b>

Table 25 shows that 83.8% (3 903) of the households in Karoo Hoogland had ownership of an electric/gas stove, followed by those owning a television (81.2%), a radio (73.6%), a cellphone (72.3%), and a refrigerator/freezer (67.8%). Fewer households had ownership of the following goods; an air conditioner (3.9%), tablet/phablet (17.5%), home theatre system (22.2%) and personal computer/desktop laptop (24.6%) amongst others.

### 3.6 Internet and postal services access

**Table 26: Distribution of households by type of access to internet, 2016**

Source for internet access	Number	% of total households
Connection in the dwelling	788	<b>16.9</b>
Connection from a library	191	<b>4.1</b>
Internet cafe 2km or less from dwelling	107	<b>2.3</b>
Any place via cellphone	85	<b>1.8</b>
Other	68	<b>1.5</b>
Internet cafe > 2km from dwelling	54	<b>1.2</b>
Connection at place of work	48	<b>1.0</b>
Any place via other mobile access service	32	<b>0.7</b>

At school/university/college	16	0.3
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\*Excludes “do not know” and “unspecified”

Table 26 shows that 16.9 % (788) of households in Karoo Hoogland connect to the internet using a connection in their dwelling, followed by those who have a connection from a library (4.1%). Only about 2.3% make use of an internet café less than 2km from their dwelling.

**Table 27: Distribution of households by type of postal services used, 2016**

Mail/post	Number	Percentage (%)
Delivered to the dwelling	2 297	49.3
Delivered to a post box/private bag owned by	1 456	31.3
Other	393	8.4
Do not receive mail	256	5.5
Through a workplace	172	3.7
Through a friend/neighbour/relative	78	1.7
Through a shop/school	3	0.1

\*Excludes “do not know” and “unspecified”

Table 27 shows that 49.3% (2 297) of the households in Karoo Hoogland have their post delivered to their dwelling, whilst 5.5% of households do not receive mail.

### 3.7 Crime statistics and perceptions on safety

**Table 28: Households by type of crime experienced, 2016**

Type of crime experienced	Number	Percentage (%)
Other crimes	43	0.9
House breaking	20	0.4

Table 28 shows that 0.4% of households in Karoo Hoogland experienced house-breaking as the leading type of crime.

**Table 29: Households’ feeling of safety when it’s dark, 2016**

	Feeling of safety when it's dark				
	Very safe	Fairly safe	A bit unsafe	Very unsafe	Total
Number	3 157	827	244	426	4 654
Percent (%)	67.8	17.8	5.2	9.2	100.0

Table 29 shows that 67.8% of households in Karoo Hoogland local municipality feel very safe when its dark, compared to 9.2% who feel very unsafe.

### 3.8 Agricultural activities

**Table 30: Distribution of households by type of agricultural activity, 2016**

Type of agricultural activity	Number	Percentage (%)
Livestock production	1 060	22.8
Poultry production	528	11.3
Vegetable production	138	3.0
Fruit production	17	0.4
Grains and food crops	10	0.2
Other	5	0.1

Table 30 shows that 22.8% (1 060) of households in Karoo Hoogland engage in livestock production, followed by those who partake in poultry production (11.3%), vegetable production (3.0%), fruit production (0.4%), and grains and food crops production (0.2%).

### 3.9 Food security

**Table 31: Households that ran out of money to buy food in the 12 months preceding the survey, 2016**

Ran out of money to buy food in the 12 months preceding the survey	Number	Percent (%)
Yes	140	3.0
No	4 514	97.0
<b>Total</b>	<b>4 654</b>	<b>100.0</b>

\*Excludes "do not know" and "unspecified"

Table 31 shows that 3.0% (140) of the households in Karoo Hoogland municipality have ran out of money to buy food in the 12 months preceding the survey in 2016.

**Table 32: Households that ran out of money to buy food for 5 or more days in the past 30 days, 2016**

Ran out of money to buy food for 5 or more days in past 30 days	Number	Percent (%)
Yes	43	30.7
No	97	69.3
<b>Total</b>	<b>140</b>	<b>100.0</b>

\*Excludes "do not know" and "unspecified"

Table 32 shows that from the total households that reported having run out of money to buy food in Karoo Hoogland, 30.7% (43 households) have ran out of money to buy food for 5 or more days preceding the survey in 2016.

#### 4. Mortality

**Figure 7: Main causes of death by district municipality in the Northern Cape, 2010-2015**

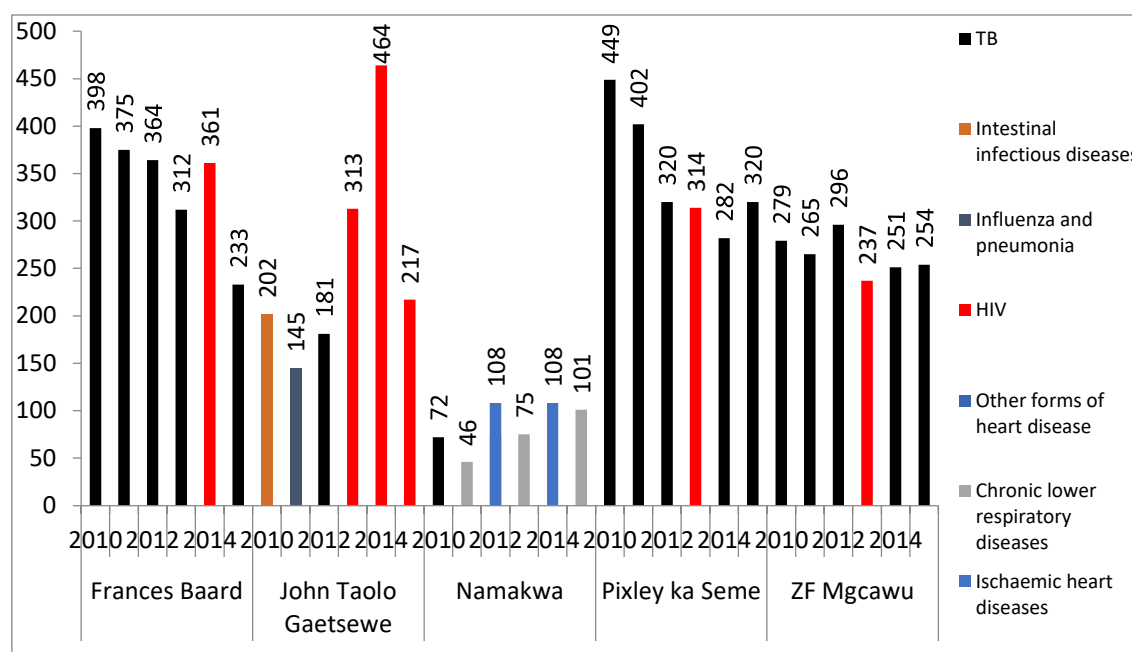


Figure 7 shows that the leading cause of death in Namakwa district in 2010 was TB with 72 recorded deaths recorded. In 2011, the Chronic lower respiratory disease was the leading cause of death with 46 deaths. The Ischaemic heart disease was the leading cause of death in 2012 with 108 deaths, and in 2013 it was the Chronic lower respiratory disease with 75 deaths. The Ischaemic heart disease and chronic lower respiratory disease were the leading causes of death over the years 2014 and 2015 respectively.

#### 5. Indigent household services provided by municipality

**Table 33: Number of households benefiting from indigent support system, 2016**

Namakwa District Municipality	Indigent households registered with municipalities	Benefitting			
		Water	Electricity	Sewerage and sanitation	Solid waste management
Hantam Municipality	1 452	1 452	1 229	1 452	1 452
Kamiesberg Municipality	1 276	1 276	1 201	205	1 226
Karoo Hoogland Municipality	944	944	944	944	944
Nama-Khoi Municipality	5 045	5 045	5 045	5 045	5 045
Richtersveld Municipality	1 068	1 068	1 033	1 068	1 068
Khâi-Ma Municipality	1 752	1 752	1 353	1 751	1 751
<b>Total</b>	<b>11 537</b>	<b>11 537</b>	<b>10 805</b>	<b>10 465</b>	<b>11 486</b>

Source: Non-financial census of municipalities, 2017

Table 33 shows that the number of indigent households registered in the Namakwa district for the year 2016 is 11 537 units with Nama-Khoi municipality having the highest number of such households at 5 045 units, followed by Khai-Ma, Hantam, and Kamiesberg municipality with 1 752, 1 452 and 1 276 indigent households registered as indigent respectively. The municipalities with the least number of indigent households are Karoo

Hoogland and Richtersveld with each having 944 and 1 068 indigent households respectively.

It is to be noted that not all indigent households across the respective municipalities are benefiting from free basic services from the municipality however, with the exception of households in Karoo Hoogland and Nama-Khoi municipality, where all indigent households are receiving free basic services from the municipality.

### **3.4 PROVINCIAL TREASURY COMPARATIVE ANALYSIS NAMAKWA DISTRICT MUNICIPALITY 2016**

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#### **POPULATION PROFILE**

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The total population is the number of people within that region in the middle of the respective year. It therefore includes all residents' nonresidents and individuals of any age gender and population group. It is important to analyze the population trends and profile as it provides a better understanding of the community that is being served. Population analysis is also important for policy development planning and budgeting for the district and local municipalities.

Geographically this is the biggest in terms of land when compared to other districts in the provinces however it has the smallest population size.

Richtersveld and Karoo Hoogland are the only two local municipalities that experienced positive growth between 2004 and 2014. The other four municipalities had a decrease in population size. Nama Khoi local municipality had the largest population size in both 2004 and 2014 with 48 676 and 47 026 residents respectively. The local municipality with the second largest population size was Hantam with 21 632 and 21 632 residents in 2004 and 2014 respectively. Kamiesberg had the smallest population size at 11 473 and 9 944 in 2004 and 2014 respectively

#### **3.5 POPULATION BY GENDER**

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The district is sparsely populated and is composed mostly of coloured representing 83.53 percent of the total population with other races contributing less than 20 percent. Females represented 50.34 percent of the total population. Richtersveld and Khai Ma are the only municipalities where there were more males than females while Nama Khoi, Kamiesberg, Hantam and Karoo Hoogland had more females than males.

#### **3.6 HOUSEHOLDS**

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A household is a group of people who live together and who provide for themselves jointly with food and or other essentials for living or a single person who lives alone. An individual is considered part of a household if he spends at least four nights a week within the household.



The number of households in the district increased from 33 567 in 2004 to 37 839 in 2014. There was an increase in the number of households in all the local municipalities except for Kamiesberg which experienced a decrease from 3 532 in 2004 to 3 431 in 2014

Nama Khoi and Richtersveld are the two municipalities that experience that significant increase in terms of the number of households with an increase of 1 524 and 1 151 households respectively from 2004 to 2014. As a result of the number of households increasing the average number of people per household for the district decreased slightly from 3.46 in 2004 to 3.06 in 2014. All local municipalities experienced a decrease in the average number of people per household with Nama Khoi and Richtersveld experiencing the largest decrease. This can be due to the fact that more households were established in both municipalities than other local municipalities.

### **3.7 POPULATION PYRAMIDS OF NAMAKWA DISTRICT AND LOCAL MUNICIPALITIES**

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A population pyramid is a visual representation of the population broken down by gender and age for the selected year and region. The horizontal axis depicts number of people with the left pane depicting males and the right pane depicting females. The vertical axis depicts the population in 5 year age cohorts. Figures below show the population pyramids for the Namakwa District Municipality and its local municipalities for 2014.

### **3.8 POPULATION PYRAMIDS OF NAMAKWA DISTRICT AND LOCAL MUNICIPALITIES**

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According to the World Bank (2015) the population growth rate is defined as the increase in a country's population during a period of time usually on year. It is expressed as percentage of the population at the start of that period. It reflects the number of births and deaths during the period and the number of people migrating to and from a country. If the output is positive it implies that the population increased over the period. The opposite is true for a negative output.

The Namakwa District Municipality grew at a diminishing rate with the population growing at 1.2 percent in 2014. The decrease in population growth can result from a number of factors which might include an increase in the death rate a decrease in child birth or even the migration of people out of the district. Richtersveld and Karoo Hoogland were the only two municipalities that experienced consistent positive growth for each year over the period from 2004 to 2014. The remaining five local municipalities have experienced fluctuating growth with the worst affected municipality being Kamiesberg as it decreased from 0.6 percent in 2004 to – 0.8 percent in 2014.

### **3.9 URBANISATION**

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Urbanisation is the process whereby people move from rural areas. The district and its local municipalities follow an increasing urbanisation trend for the period from 2004 to 2014. The urbanisation rate for the district increased from 77.3 to 91.3 percent for the under review. In 2004 Richtersveld was the municipality that recorded the lowest urbanisation rate at 57.2 percent while Nama Khoi recorded the highest rate 88.4 percent. Hantam, Karoo Hoogland and Kha Mai recorded slightly increased urbanisation rates from 85.0, 85.7 and 79.6 percent in 2013 to 85.6, 86.3 and 80.2 percent in 2014.

The period increase in urbanisation rate in municipalities could be due to sustainable development whereby people move from rural areas to urban areas for better access to basic services such as education health systems, housing and infrastructure as well as for better living standards and seeking employment opportunities.

### **3.10 POPULATION GROWTH TREND AND DENISTY**

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Population density measures the concentration of people in a region by dividing the population of the region by the area size of that region. The output of this is the number of people per square kilometre and can be broken down according to population group according to Global Insight (2015).

Population density measures the concentration of people in a region by dividing the population of the region by the area size of that region. The output of this is the number of people per square kilometre and can be broken down according to population group according to Global Insight (2015).

### **CONCLUSION**

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The Namakwa District Municipality had share of approximately 9.95 percent of the local Northern Cape Province in 2014. The district recorded a – 0.02 percent year on year growth rate following a decline in the size of the population between 2004 and 2014. The district population was dominated by coloureds with more females than males.

The number of households increased significantly from 33 567 in 2004 to 37 839 in 2014. Intems of the population structure the district population was mostly youthful which suggest societal stability as more youth is necessary for the future and prosperity of the society. Among all local municipalities within the district Nama Khoi had the highest population density at 3.08 people per square kilometre followed by Khai Ma and Richtersveld at 1.40 and 1.28. Namakwa Hantam, Karoo Hoogland and Khai Ma municipalities experienced a slightly increased urbanisation rate from 2013 to 2014 while Richtersveld, Nama Khoi and Kamiesberg urbanisation remained steady.

### **3.11 ECONOMY**

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This section focusses on the economic performance of the Namakwa District Municipality and its local municipalities. It analyses the contributions by the various local municipalities to the district total gross domestic product GDP the economic growth industry performances trade and tourism.

### **3.12 GDP**

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GDP is the value of goods and services that are produced within a region over a year period plus taxes and minus subsidies.

Nama Khoi was the largest contributor to the economy overall contributing 44.1 percent in 2004 and 35.8 per cent in 2014. The economic contribution of Hantam has shown commendable growth over the same period going from a contribution of 12.3 percent in 2004 to 22.6 percent in 2014. The increase has resulted in Hantam having the second largest average contribution to the economy. Karoo Hoogland managed to improve its status of smallest economic contribution in 2004 to being the third best performing local municipality in the district in 2014 and this was accompanied by a real growth of 111 percent over the same period. The municipality also managed to achieve the highest average annual growth rate between 2004 and 2014 at 7.5 percent. In Rand terms at constant 2010 prices, the overall economy of Namakwa has shrunk from R 7 022 312 in 2004 to R 6 124 527 in 2014. The average annual growth rate for the district was – 1.4 percent over this period. The size of Richtersveld's economy contracted by more than 50 percent between 2004 and 2014 and it had the lowest average annual growth rate of all the local municipalities at -7.2 percent. Only Hantam and Karoo Hoogland managed to achieve positive economic growth in 2014.

### **3.13 ECONOMIC INDUSTRIES**

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The primary sector plays a key role in the economy of Namakwa. The agriculture industry of Namakwa was dominated by Hantam and Karoo Hoogland with the four local municipalities combined contributing less than 20 percent to the Namakwa District agricultural output. Between 2004 and 2014 these two regions have maintained their lead but interesting to note is the despite the dominance Hantam's contribution to the agricultural industry has declined marginally between 2004 and 2014 and that of Karoo Hoogland has increased by 10.0 percentage points. In 2014 all of the local municipalities experienced positive growth in agricultural output.

Nama Khoi and Hantam were dominant in manufacturing together accounting for more than 60 percent of the total manufacturing output. Karoo Hoogland and Hantam were the only two local municipalities to increase their share in the industry as well as being the only two municipalities to record positive growth in this industry in 2014. In 2014 Hantam was also the leader in the trade and community services industries. Nama Khoi led in the electricity and finance industries and Karoo Hoogland led in construction and transport. In total over all the industries Nama Khoi, Karoo Hoogland and Hantam were the biggest contributors to the economy together accounting for 76.2 percent.

### **3.14 TOURISM**

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The local municipalities contributions of the total bed nights spent by tourist (both domestic and international) in Namakwa are shown for 2012 and 2013. According to Global Insight (2015) bed nights refer to the number of nights that a person spends away from home on a single person trip. Table below shows bed nights in the municipality.

The tourism contribution profile has changed remarkably over the reviewed period. In 2004 42.6 percent of tourism bednights were in Nama Khoi while Karoo Hoogland and Hantam accounted for 21.6 percent and 12.3 percent respectively. Nama Khoi and Karoo Hoogland have gradually lost their dominance over time to Hantam which has increased its contribution from 12.3 percent in 2004 to 40.3 percent in 2013. Nama Khoi shares has declined by more than 20 percentage points over the period under review for 20.5 percent total bednights in 2013.

### **CONCLUSION**

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In total Nama Khoi, Karoo Hoogland and Hantam were the largest contributors to the Namakwa District economy together accounting for 76.2 percent of economic activity. The Nama Khoi Local Municipality was the largest contributor to the district economy contributing an average of nearly 40 percent between 2004 and 2014, although its share has become smaller over time. The Hantam Local municipality has shown commendable growth over the same period which has resulted in it being the second largest average contributor to the districts economy in 2014. In terms of the industries contribution to Namakwa's economy the agriculture industry dominated in Hantam and Karoo Hoogland while the mining industry was led by the Nama Khoi region. The Nama Khoi and Hantam municipalities were dominant in manufacturing. In 2014 Hantam was also the dominant municipality in the trade and community services industries. Nama Khoi led in the electricity and finance industries and Karoo Hoogland led in construction and transport. Hantam and Nama Khoi were the dominant tourist centres in terms of their contributions to total bednights in the Namakwa District.

### **3.15 LABOUR**

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The Northern Cape Province labour market faced high unemployment and the Namakwa District Municipality is not an exception. This section shows the prevalence of unemployment within the various local municipalities and how it is distributed among the different population groups.

This section will focus on the labour status employment and unemployment by race and gender and lastly the employment distribution (only relating to formal employment).

### **3.16 LABOUR STATUS**

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The employment profile of the study area is an important indicator of human development, but also of the level of disposable income and subsequently the expenditure capacity of the residing population.

The employment rate is the percentage of economically active population that are unemployed as per the strict definition of unemployment. The economically active population is the number of people who are able willing and actively looking for work and who are between the ages 15 and 64 this includes and unemployed people. People in formal employment can be self-employment an employee or a working family member.

Nama Khoi had the largest number of people unemployed economically active and not economically active in 2004 and 2014. This expected as this is expected as this local municipality accounts for the largest number of people in the district.

The unemployment rate of Africans decreased the most in Richtersveld by 23.0 percentage points. There was an increase in the unemployment rate of whites among all of the municipalities except for Richtersveld where it decreased by 2.0 percentage points. The largest decreased in coloured unemployment rate was recorded in Karoo Hoogland at 6.3 percentage points while largest increase was in Kai Ma at 9.2 percentage points.

The largest employing industry was agriculture. This was case in Karoo Hoogland , Kamiesberg and Kai Ma. Mining was the largest employing industry in Richtersveld and Namak Khoi. In Namakwa community services was the largest employer followed by Afgri Culture and mining.

### **3.17 CONCLUSION**

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Employment in the Namakwa District remained a challenge that needs to be addressed. In 2014 the largest percentage of people in employment was recorded in the Hantam Local Municipality while the highest unemployment rate was recorded in the Kamiesberg local municipality. All of the local municipalities experienced decreased unemployment rates from 2004 to 2014 except for the Kamiesberg and Khai Ma Local Municipalities.

Unemployment of Africans decreased the most in the Richtersveld Local Municipality. There was an increase in the unemployment rate of whites in all of the local municipalities except for Richtersveld. The largest decrease in the coloured unemployment rate was recorded in Karoo Hoogland while the largest increase was in Kai Mai.

In Hantam the largest employing industry was agriculture. This was also the case for Karoo Hoogland and Khai Ma municipalities. Mining was the largest employing industry in the Richtersveld and Nama Khoi municipality. In the Namakwa District community services was the largest employer followed by agriculture and mining..

### **3.18 HUMAN DEVELOPMENT**

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The United Nations Development Programme (UNDP) describe human development as focusing on choices what people should have be and do in order to be able to ensure their livelihood. Human development extends beyond income and the satisfaction of basic needs. It focuses on expanding peoples choices with regards to economic opportunities health and education. Human development stresses the need to improve the lives of people rather than assuming that richness of the economy and income growth will automatically lead to the greater wellbeing for all.

The three essential capabilities for human development are for people to live long and healthy lives to be knowledgeable and to have a decent standard of living. Therefore when studying human development the following variables are considered: life expectancy, literary rate and GDP per capita. Human Development is highly vulnerable to risks and shock especially in Arica. The African continent is characterised by uncertain economic conditions riots and political instability dread diseases and lack of quality education facilities. Therefore government policies should be directed at building resilience while accelerating economic growth heald and education gains. The National Development Plan (NDP) (2011) states that active steps should be taken to broaden opportunities which will have an impact of inequality and efficiency of the economy.

The chapter reviews the human development in Namakwa also highlighting variations between local municipalities. In this section poverty indicators for municipalities are explored a comparative analysis of the Human Development Index (HDI) is done, an assessment of the inequality and the distribution of income are done and insight is provided on the number of households with access to basic services as well as social assistance.

### **3.19 POVERTY**

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The acceptable minimum standard of living is also known as the poverty line. The minimum standard of living determined by Statistics South Africa (StatsSA) based on inflation and time value of money therefore it changes every year. Stats SA distinguishes between a food poverty line a lower poverty line and an upper poverty line. StatsSA defines the food poverty line as the level of consumption below which individuals are unable to purchase sufficient food to provide them with an adequate diet. The food poverty line wat R 406 in 2014. The lower poverty line defined by StatsSA as the level of consumption that includes both food and essential non-food items but requires that individuals sacrifice some food items in order to obtain the non-food items. The lower level poverty line was R548 in 2014. According to StatsSA the upper poverty line is the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other.

For this purpose the definition use is poverty. The definition is that the number of people in poverty is the number of people living in households that have an income less than the poverty income where the poverty income is defined as the minimum monthly income that is needed to sustain a household and varies according to the size of the household. The larger the household the larder the income that is required to keep its members out of poverty and it allows for economies of scale within larger households.



The poverty rate also known as headcount ratio is often used to estimate the incidence of poverty. It is calculated as the total number people earning below the poverty line divided by the total population. However the disadvantage of this indicator is that it does not take account of the depth or severity of poverty amongst the poor themselves. The poverty rate does not change if the poor's living standard improves as long as they are below the poverty line. This might undermine government's effort to reduce poverty. To solve this problem a poverty gap rate is used to calculate the intensity of poverty.

The chapter reviews the human development in Namakwa also highlighting variations between local municipalities. In this section poverty indicators for municipalities are explored a comparative analysis of the Human Development Index (HDI) is done, an assessment of the inequality and the distribution of income are done and insight is provided on the number of households with access to basic services as well as social assistance.

### **3.20 POVERTY INDICATORS**

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The district municipality had a poverty rate of 50.4 percent in 2004 and 26.2 percent in 2014. More than 50 percent of the people in Karoo Hoogland and Kamiesberg local municipality lived in poverty in 2004. Karoo Hoogland followed by Hantam municipality had the highest percentage of people living in poverty at 55.2 percent respectively while Richtersveld had the lowest at 46.6 percent in 2004. All the local municipalities saw a significant decline in its poverty rates between 2004 and 2014 recording poverty rates of less than 30 percent in 2014. The poverty rate in Nama Khoi dropped to 29.1 percent between the years.

The municipalities with the highest percentage of people living in poverty also had the highest poverty gap rates in 2004. It is evident that poverty is severe in Karoo Hoogland, Kamiesberg and Hantam in 2004 with these municipalities recording the highest poverty gap rates. Karoo Hoogland recorded a poverty gap rate of 31.3 percent more while the poor in both Hantam and Kamiesberg needed to earn 30.7 percent more to get to the poverty line in 2004. Nama Khoi had the lowest poverty rate at 29.4 percent in 2004. Overall the district had a poverty gap rate of 30.1 percent in 2004.

The reduction in the percentage of people living in poverty was also accompanied by a reduction in the poverty gap rate. There was an improvement in the severity of poverty as all municipalities had a poverty gap rate falling below 24 percent in 2014. This means that the amount that poor people needed to earn more to get out of poverty was far less in 2014 compared to 2004. There are many factors that might lead to a reduction in the poverty gap. A decline in unemployment rate and an improvement in access to social grants are some of the factors that can lead to a decline in both the poverty rate and poverty rate gap. Richtersveld had the highest poverty gap rate at 23.6 percent while Karoo Hoogland had the lowest at 22.4 percent at 2014. Poor people in Namakwaland District needed to earn 23.0 percent more on average to get to the poverty line in 2014.

### **3.21 DEVELOPMENT INDICATORS/HUMAN DEVELOPMENT INDEX**

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All local municipalities were semi developed in 2004 with HDI's ranging between 0.53 and 0.59 Richtersveld and Nama Khoi had the highest HDI both at 0.59 while Karoo Hoogland had and HDI of only 0.53. There is a negative relationship between the HDI and the poverty rate. Human development translate into people being better equipped with skills that will increase their employability and increase their income this reducing poverty. The more people get developed and are presented with opportunities to better their lives the lower the poverty rate. This was the case in Richtersveld and Nama Khoi as these two municipalities had the lowest poverty rates in 2004. The district municipality had and HDI of 0.57 in 2004. HDI increased for all municipalities in 2014 with Richtersveld having the highest HDI at 0.67 while Karoo Hoogland had the lowest at 0.60. The district municipality HDI increased from 0.57 in 2004 to 0.64 in 2014.

### **3.22 INCOME DISTRIBUTION**

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Sustainable economic growth increased income and productivity are unarguably the key components for development trajectory in South Africa. However achieving these key components does not usually translate into better wellbeing for all. Redistribution is often needed to ensure that economic growth is labour absorbing and inclusive. Many countries with sustainable economic growth have failed to create and inclusive economy where resources are distributed fairly amongst the citizens thus making the economic growth beneficial to all.

This section explores the extent of distribution of income in Namakwa. This will be done through the analysis of the Gini Coefficient the municipalities as well as income distribution between households.

### **3.23 GINI COEFFICIENT**

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The Gini Coefficient is a measure of income inequality. It varies from 0 to 1 indicating that incomes are distributed in a perfectly equal manner while 1 means that income is completely inequitable with one individual in population earning income whilst everyone else earns nothing. In practice this indicator ranges between 0.25 and 0.70. The figure below shows the Gini Coefficient of Namakwa and its local municipalities for 2004 and 2014.

### **3.21 ANNUAL INCOME**

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In all of the municipalities with the exception of Richtersveld the income bracket with the largest number of households was R 54 000 and R 72 000 in 2014. About 18 000 households in Hantam earned more than R2.4 million while there were less than 10 households earning in the some income category in each of the municipalities.

### **3.22 ACCESS TO SERVICES/EDUCATION**

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Karoo Hoogland and Hantam had the largest number of people who are not attending school at 1 341 and 1 719 respectively. Richtersveld and Khai Ma recorded the smallest



number of people who were not attending school at 208 and 279 respectively. Nama Khoi had the largest number of both people with primary and secondary education whilst Hantam had the second largest number of learners with primary education and secondary education and Richtersveld had the second largest number of learners with secondary education. There were a total of 13 859 learners obtained in Namakwa whilst Kamiesberg and Khai Ma had the smallest number of learners with matric certificates. With regard to tertiary education Nam Khoi had the most people with matric and certificates/diploma matric and bachelor degree and matric postgraduate degree. Second in these education levels was Hantam.

### **3.24 HOUSING**

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Nama Khoi had the largest formal dwelling backlog when compared to other local municipalities in 2014. Khai Ma had the second largest formal dwelling backlog follow by Richtersveld. Karoo Hoogland and Hantam registered the smallest backlogs between 2004 and 2014. Overall the formal dwelling backlog of all the local municipalities in Namakwa increased between 2004 and 2014. The largest was recorded in Khai Ma. More sources need to allocate to provide for the backlog and to keep up with the growing demand.

### **3.25 ACCESS TO BASIC SERVICES/TYPE OF DWELLING**

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The number of households living in very formal traditional and other types of dwellings increased whilst household's livings in formal dwellings dwellings declined between 2004 and 2014. Nama Khoi and Hantam had the largest number of households living in very formal dwellings over the same period. Karoo Hoogland had the smallest number of households living in informal dwellings over the same period. Karoo Hoogland had the smallest number of households living in informal dwellings as compared to other municipalities in 2004 with Kamiesberg and Richtersveld having the smallest number 2014. In 2014 there were more households living in informal houses in Nama Khoi followed by Khai Ma and Hantam. The number of households living in traditional dwellings increased in Hantam Khai Ma and Richtersveld and decreased in the other local municipalities between 2004 and 2014. Households living in other types of dwellings increased in all local municipalities except Karoo Hoogland and Khai Ma.

### **3.26 ACCES TO SANITATION**

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Between 2004 and 2014 Kamiesberg and Khai Ma experienced a decline in the number of household with access to flush toilets while Hantam, Karoo Hoogland and Richtersveld recorded an increase. All local municipalities registered an increase in the number of households with access to ventilation improved pit (VIP) and pit toilets. There was a significant decrease in the number of households that were using the bucket system in all local municipalities. The number of households without access to toilets increased in Karoo Hoogland, Nama Khoi and Richtersveld while there was a decline in Hantam, Kamiesberg and Khai Ma.

### **3.27 ACCESS TO WATER**

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The number of households with access to piped water inside the dwelling increase between 2004 and 2014 in Namakwa. Nama Khoi and Hantam had the largest number of households with access to piped water inside the dwelling in 2014. There was a decline in the number of households with access to water inside the water in Namakwa over the under study. Only Kamiesberg, Karoo Hoogland and Richtersveld registered an increase in the number of households with access to piped water inside the yard between 2004 and 2014. In all local municipalities except for Richtersveld there was a decreased in the number of households using communal piped water less than 200 meter from dwelling (at RDP level) and communal piped water more than 200 meter from the dwelling (below RDP) between 2004 and 2014. The reconstruction and Development Programme (RDP) level are not considered to be part of the water supply backlog and the above RDP level includes all households that have access to piped water within their dwelling. Houses that have access to piped water further than 200 meters from the dwelling or households that do not have access to formal piped water are considered to water infrastructure. The number of households with access to formal piped water increase in all local municipalities between 2004 and 2014.

### **3.28 ACCESS TO ELECTRICITY**

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The number of households using electricity of lighting only decreased for all municipalities between 2004 and 2014. There was an increase in all municipalities in the number of households using electricity for lighting and other purpose over the period. Nama Khoi and Hantam had the highest number of households that used electricity for lighting and other purpose whilst Kamiesberg and Karoo Hoogland registered the smallest number of households using electricity for lighting and other purpose in 2014. The number of households not using electricity decreased for all local municipalities and also the district between 2004 and 2014.

### **3.29 ACCESS TO REFUSE REMOVAL**

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Kammiesberg was the only local municipality that experience a decline in the number of households that had the refuse removed weekly by authorities between 2004 and 2014. There was an increase in the number of households that had their refuse removed less often than weekly by authorities for all the local municipalities over the same period except for Hantam and Nama Khoi. The number of households that removed their own dump increased in all local municipalities excluding Hantam between 2004 and 2014 whilst the number of households with no access to refuse removal increased in all local municipalities except Richtersveld.

## **CONCLUSION**

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With regards to education Hantam and Karoo Hoogland had the highest number of people who were not attending school whilst Nama Khoi and Hantam had more students with

tertiary education in 2014. In terms of access to housing the formal dwelling backlog of all the local municipalities in Namakwa increased whilst households living in both formal and informal dwellings declined between 20004 and 2014. There were more households living in informal dwellings in Nama Khoi, Khai Ma and Hantman in 2014. Furthermore the number of households that were using the bucket system declined in all municipalities. The number of households with now access to formal piped water increased in all local municipalities between 2004 and 2014. Khai Ma and Richtersveld had more households with no access to electricity compared to other municipalities. The number of households with no access to refuse increase in all local municipalities.

### 3.30 COMPARATIVE ADVANTAGE

A comparative advantage indicates a relatively more competitive production function for a product or service in a specific economy (regional or sub-regional) than in the aggregate economy (provincial or National). It therefore measures whether a specific economy produces a product or renders a service more efficiently than another.

One way to measure the comparative advantage of a specific economy is by way of the location quotient. A location quotient as a tool, however, does not take into account external factors such as government policies, investment incentives, and proximity to markets, etc., which can influence the comparative advantage of an area. The Locational Quotient is used to calculate the comparative advantage of the relevant study areas. The location quotient is a calculated ratio between two economies, in this case the metropolitan and Local economies. This ratio is calculated for all industries to determine whether or not the District or Local economy has a greater share or advantage of that industry. If an economy has a location quotient greater than 1, it means that economy enjoys a comparative advantage. The interpretation of the locational quotient is illustrated.

TABLE 3 - LOCATIONAL QUOTIENT INTERPRETATION

Locational Quotient	Classification	Interpretation
Less than 0.75	Low	Regional needs are probably not being met by the sector resulting in an import of goods and services in this sector
0.75 to 1.24	Medium	Most Local needs are being met by the sector. The region will probably be both importing and exporting goods and services in this sector
1.25 to 4.99	High	The sector is serving needs beyond the border, exporting goods and services in this sector to other regions or provinces
More than 5.00	Very High	This is indicative of a very high level of Local dependence on the sector, typically in a "single-industry" community

(Source: Urban-Econ 2010)

**Table** below indicates the sectors where the Karoo Hoogland LM has a comparative advantage in the Namakwa District Municipal area in terms of GDP and employment.

In terms of GDP the Karoo Hoogland LM has a comparative advantage within the Namakwa District Municipality in the following sectors:

1. Manufacturing
2. Agriculture, forestry and fishing
3. Community, social and personal services

And in terms of employment:

1. Manufacturing
2. Agriculture, forestry and fishing
3. Community, social and personal services

## CHAPTER FOUR: STATUS QUO

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### 4.1 OVERVIEW

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Section 153 of the Constitution states that a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs

of the community; promote the social and economic development of the community; and participate in national and provincial development programmes.

This implies that local government must comply with the national strategic plan that defines the framework for detailed planning and action across all spheres of government. Strategic priority areas identified by national and provincial government will therefore guide the strategic priority areas identified by municipalities for the purpose of:

- ensuring cohesive focus in terms of building a developmental government that is efficient, effective and responsive
- strengthening accountability and striving for accountable and clean government
- accelerating service delivery and supporting the vulnerable
- fostering partnerships, social cohesion and community mobilisation

Within the above framework, municipalities are required to manage its own strategic focus to embrace and reflect the strategic priorities identified by national government. In a proactive step to comply with national requirements, the Karoo Hoogland Municipality has embarked on a strategic planning review process to align its IDP to Provincial and National strategic priority areas. This approach supports full integration between spatial planning, Community needs, strategic development, measurement and budgeting as is required by organisational performance management methodology as well as ultimately sound unqualified governance.

The Performance Management Guidelines for Municipalities of 2001, paragraph 5.1 states that, “The Integrated Development Planning process and the Performance Management Process should appear to be seamlessly integrated. Integrated development planning fulfils the planning stage of performance management. PM fulfils the implementation management, monitoring and evaluation of the IDP process.”

The PM guidelines state the following guidelines regarding the setting of priorities:

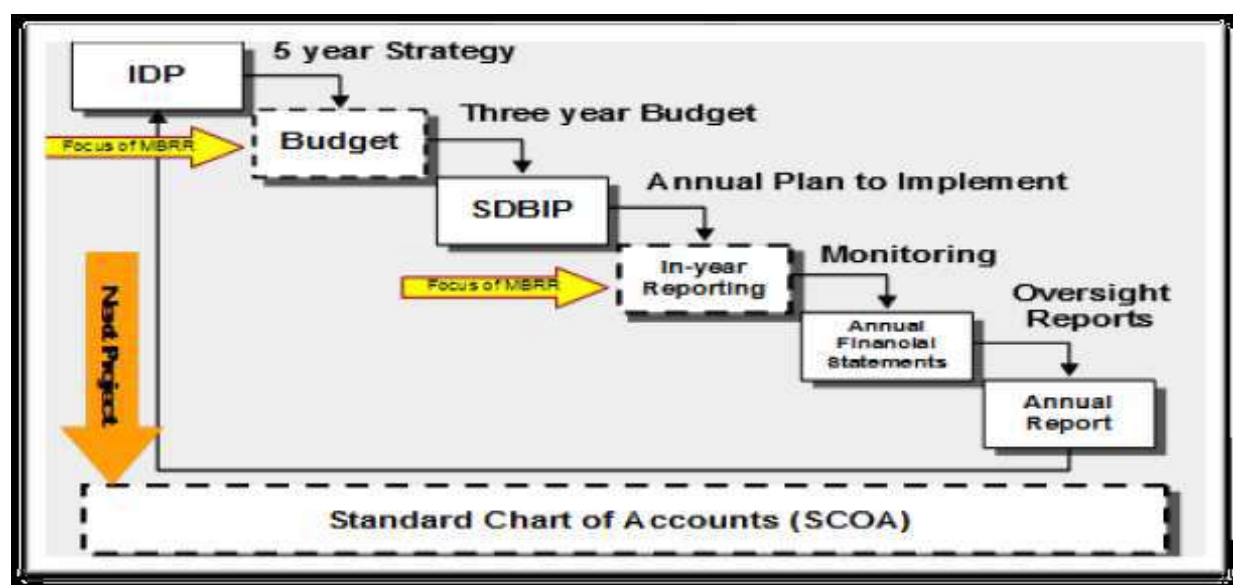
Consistent with the event-centred approach in the IDP guide, the IDP should deliver the following products:

- An assessment of development in the municipal area, identifying development challenges, marginalised and vulnerable citizens and communities
- A long term development vision for the municipal area that overcomes its development challenges
- A set of delivery priorities and objectives, based on identified needs, achievable in the current term of office that would contribute significantly to the achievement of the development vision for the area
- A set of internal transformation strategies, priorities and objectives, whose achievement would enable the delivery and realisation of the development vision
  - Additional projects identified which contribute to the achievement of the above objectives
  - A financial plan and medium term income and expenditure framework that is aligned with the priorities of the municipality
  - A spatial development framework
  - Disaster management plans
  - Operational strategies

Priorities are essentially the issues that a municipality focus on in order of importance to address the needs that exists within the communities. Municipalities are also the “face of government” in as much as it has close contact with communities and therefore should channel all other service delivery related needs to the relevant provincial or national sector departments.

The purpose of Strategic Planning is:

- An organisation’s process of defining its strategy or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people
- The formal consideration of an organisation’s future course. All strategic planning deals with at least one of three key questions:
  - What do we do?
  - For whom do we do it?
  - How do we excel?



In establishing an appropriate Economic Development for the Karoo Hoogland Local Municipality, it is essential to make reference to relevant policies at a Local, District, Provincial and National level. By reviewing the relevant policies, one can contextualize the environment in which the development will exist and more importantly, provide guidelines and targets that will direct the Economic Development in an appropriate manner. This will also ensure that the IDP which is developed aligns with National, Provincial, District and Local initiatives. This policy analysis will be completed for National, Provincial, District and Local policies and legislation. More specifically the following policies will be reviewed: being in the future. In essence the vision and mission statements look into the future more rigorously.

## 4.2 SPATIAL DEVELOPMENT

The spatial development framework of the municipality outlines the critical areas that need to be considered when dealing with land development the municipal area. Amongst others the SDF stipulate the following;

The Municipal Systems Act (Act 32, 2000) obligated all municipalities to prepare an integrated Development Plan (IDP) as the primary and overriding management tool. As an integral component of the IDP the SDF must also adhere to the requirements of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

The Local Government Planning and Performance Regulations (2001) stipulate the content of the SDF. In terms of Section 4 of Regulations the SDF is required to.

Give effect to principles contained in Chapter 1 of the Development Facilitation Act, 1995.

Set out **objectives** that reflect desired spatial form of the Municipality contain strategies and policies regarding the manner in which to achieve the objectives which must:

- Indicate the desire pattern of land use
- Indicate the direction of growth
- Provide strategic guidance in respect to location and nature of development
- Set out basic guidelines for land use management system
- Set out a capital investment framework for development programmes
- Incorporation a strategic assessment of the environmental impact land within the Municipality
- Identify programmes and projects for development of land within the Municipality
- Be aligned with neighboring municipal SDF's
- Provide visual representation of the desired spatial form which
- Must indicate areas in which the intensity of land development could be either increased or reduced
- Must indicate desired and undesired utilization of land in an area
- Indicate conservation of both the built and natural environment
- Must indicate where public private land development and Infrastructure investment should take place
- May delineate the urban edge
- Must identify where priority spending is required

The SDF of Karoo Hoogland Municipality will revised in the 2018-2019 financial year this will be done inpartnership with CoGTHA and SKA.

### 4.3 NATURAL ENVIRONMENT

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Protecting the Natural Environment is a priority for Karoo Hoogland taking in conserdation with specific reference to global warming which contribute to climate change.

Karoo Hoogland is characterized by cool summer and extremely cold winter temperature with temperatures fluctuations that vary from an average low of 3°C to an average high of



20.5°C. In Sutherland, sub zero temperatures are often experienced with frost occurring on an average of 88 nights per year.

Sutherland is situated in the Roggeveld mountain range at a height of 1 450 meters above sea level on the south western escarpment of the inland plateau. At this height the area is exposed to all the cold air coming from the south-west. Due to the low moisture levels and thin air, heat radiation at night is high. Sutherland is regarded as the coldest place in South Africa.

Rainfall occurs mostly in the summer with between 100-300mm expected per year. (Namakwa Biodiversity Plan, 2008)

#### Average Annual Rainfall

Average Rainfall (mm)	Area (ha)	%
0	0	0
100-200	2 076 348	69.12
200-300	662 380	22.05
300-400	254 757	8.48
400-600	10 412	0.35
TOTAL	3 003 897	100

DISCLAIMER: In terms of the municipal area (ha), it must be noted that the source data collected from the Municipal Demarcation Board differs from the sourced data provided by the Department of Water Affairs and Forestry.

±70% of Karoo Hoogland has an average annual rainfall of between 100-200mm; ±22% of the areas has an average annual rainfall of between 200-300mm.

## 4.4 BIODIVERSITY

The purpose of the Karoo Succulent Ecosystem Programme (SKEP) is to provide for the conservation of the biome known as the Succulent Karoo. This biome covers approximately 116 000km<sup>2</sup> and stretches from the south-west to the north-west of South Africa and southern Namibia. It is considered an international biodiversity hotspot, comprising a diverse range of flora, reptiles and invertebrates, many of which are endemic to the region. However, Only 3, 5% of this biome falls under formal conservation areas and there is pressure on the environment from humans in the form of mining, crop agriculture, and ostrich farming. Overgrazing, illegal collection of fauna and flora, and climate change. In response to these threats, the SKEP programme was developed.

One of the outcomes of the programme was the delineation of nine geographic priority areas with the Succulent Karoo biome. The delineation process undertaken was as follows, "These areas were delimited based on agglomerations of high irreplaceability planning units (few components of key ecological processes. Where the priority areas bordered one another the boundaries were defined on the basis of biotic discontinuities, e.g fundamental differences between the biota of the sandy coastal plain compared to the



granite Namaqualand uplands. Within each of these geographic priority areas, fine scale conservation planning will be required to guide local land-use planning and decision-making and for reserve design.”

These 9 geographic regions are listed as follows:

Bushmanland Insebergs  
Central Breede Valley  
Central Little Karoo  
Central Namaqualand Coast  
Greater Richtersveld  
Bokkeveld-Hantam-Roggeveld  
Knersvlakte  
Namaqua Uplands  
Spergebiet

A portion of the Karoo Hoogland is covered by the Bokkeveld-Hantam-Roggeveld geographic priority area and must be considered in terms of planning and conservation initiatives.

It is important to ensure that long term environmental sustainability is promoted through the planning process. The biodiversity principle and land use guidelines proposed for Karoo Hoogland in terms of the Namakwa District Biodiversity Sector Plan 2008 are therefore supported with regard to long term sustainable planning.

The Biodiversity Sector Plan, 2008 identifies Critical Biodiversity Areas (CBA's) in terms of the landscape terrestrial and aquatic features that are critical for retaining biodiversity. The categories and recommended land use activities are briefly discussed hereunder.

At present, these are broad advisory statements to guide planners and provide better informed Spatial Development Frameworks and Integrated Development Plans. The situation on the grounds should still be verified by an ecologist before a decision on land use taken.

## **4.5 WATER SOURCES**

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There are no perennial rivers in Karoo Hoogland and groundwater is the main water source. A total of 12 groundwater sources is in Karoo Hoogland with zero surface water. Water is a scarce commodity in Karoo Hoogland and effective water management must be a priority. All three main settlements in Karoo Hoogland have internal reticulation networks. The scarcity of water in South Africa must be addressed at a national level and could be addressed through desalination plants along the coast and a possible lower Orange River

### **Water Conservation**

A water Conservation and Water Demand Management strategy must be implemented to reduce water losses in all three towns.

Rain water harvesting can potentially benefit individual household and Municipality by reducing the strain on the existing ground water resources.

Re-use of effluent from the waste water treatment works must be investigated against the cost and technical requirements.

### **Water bodies**

Dams and rivers that form part of the Water Supply system, or any water resource, should be managed in a sustainable way, especially when development or change in land use is envisaged.

Compliance with the requirements of the Department of Water Affairs, when developing around dams, alongside rivers or when crossing rivers or streams, is a prerequisite.

Proposed watercourses crossing must be placed in areas where the impact on the watercourse will be minimal.

In terms of the National Water Act 1998, no development shall be permitted below the 1:100 year flood line, to be determined by professional engineer.

A 100m buffer for rivers was demarcated for non-perennial rivers due to the absence of flood line calculations.

Wetlands and perched water tables need to be identified and protected from being encroached on by development.

## **4.6 HERITAGE**

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National Heritage Resource Act, 1999 (Act 25 of 1999), provides for the establishment of the South African Heritage Resource Agency (SAHRA), and a Provincial Heritage Resource Authority in each province, which replaced the National Monuments Council (NMC). The Northern Cape Heritage Resources Authority is Ngwao Boswa Kapa Bokoni (Heritage Northern Cape), commonly known as Boswa. SAHRA and Boswa are obliged to identify those places that respectively have special national and or provincial significance in terms of heritage assessment criteria. A heritage resource is protected by law from certain actions (alteration, subdivision, and change in land use) without the necessary contents from relevant authority.

In terms of types of protection of heritage resources, the well known category of national monument has replaced or modified by a category of provincial heritage site for sites of outstanding national importance. The new scope of the act allows members of the public to identify places with qualities that are of special national or provincial significance to be declared national or provincial heritage sites.

In Karoo Hoogland are several identified heritage sites with one heritage house identified in Sutherland. Fraserburg has a heritage grid in the town which consists largely of heritage houses and Parsonga Church. Williston has in excess of 10 houses identified with heritage characteristics and the bulk of these are the corbelled houses which are unique to this area.

The availability and accessibility of resource (natural or human) determines the potential for economic development of a specific area. The Main economic sectors of the Karoo Hoogland Municipality are agriculture and tourism.

The largely area of the Karoo Hoogland is characterized by sheep farms and small towns with agriculture forming the backbone of the Karoo Hoogland economy.

With the amalgamation of the three towns of Williston, Fraserburg and Sutherland into one municipal area, a strategy has to be devised to link these towns economically and to ensure an integrated approach in the economic rejuvenation of these towns.

Historically, this area is dominated by farming, in particular sheep farming, with the climate, vegetation and large tracts of grazing land ideally suited to this economic pursuit. Large areas of this municipal area are still dedicated to sheep farming and, as a result, the towns are characterized by limited infrastructure development, low population density and large scale poverty due to limited employment opportunities.

#### **4.7 DISASTER MANAGEMENT**

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The Disaster Management Act, Act 57 of 2002, required that, inter alia, the three spheres of government prepare Disaster Plans (Section 39 and 53 of the Act). Karoo Hoogland Municipality adopted a Disaster Management Plan.

The Namakwa District Municipality executed a detailed disaster hazard, vulnerability and risk assessment for its area of jurisdiction, including all six local municipalities.

With this information it became possible to compile a disaster management level two plan. Mainly because the disaster management level 2 plan predominately focuses on the implementation of appropriate disaster risk reduction programmes, which is the main responsibility of the local municipality, these plans have to be aligned with the IDP and SDF of each local municipality. Hence, this level 2 plan dealt with information relevant to the Karoo Hoogland Local Municipality (KHEM).

The disaster risk assessment consists out of the disaster hazard, vulnerability and risk assessment and will be discussed next.

During an extensive consultative process with local communities, the potential hazards and risks in the NDM can be summarised in **Error! Reference source not found..** This information has been transferred to appropriate GIS-maps and also been integrated with scientific information to compile appropriate disaster hazard profile maps for each local municipality.

## NAMAKWA DISTRICT MUNICIPALITY: HAZARD IDENTIFICATION USING INDIGENOUS KNOWLEDGE

Hazard / Risk	Local Municipality					
	Karoo Hoogland	Hantam	Kamiesberg	Nama Khoi	Richtersveld	Khai-Ma
Drought						
Flood						
Wind Storm						
Storms & Cyclone						
Dam Failure						
Hazmat						
Landing Strips: Private Aircraft Accidents						
Veld Fire						
Structural Fire						
Snow						
Storm water						
Nuclear Waste						
Lightning						
Soil Erosion						
Vulnerability	Karoo Hoogland	Hantam	Kamiesberg	Nama Khoi	Richtersveld	Khai-Ma
Telecommunication						
Roads						
Water						
Sanitation						
Electricity						
Human Disease						
Health Services						
Agri Disease						
Abattoir						
Poverty						
Ambulance Services						
Mine Activities						
Open Cast Mines						
Dumping Sites						
Shortage of Mortuary						
Shortage of Old Age Houses						
Gas Development						
Rising of Sea Temperatures						
See Rescue Services						

	High
	Meduim - High
	Meduim
	Meduim-Low
	Low

A copy the Disaster Management Plan is available at the office of the Municipal Manager please.

## **4.8 CLIMATE CHANGE**

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### **Climate**

“Climate change” refers to any change in climate over time, whether due to natural variability or as a result of human activity. Current climate change, often referred to as global warming, is caused by the emission of large amounts of Greenhouse Gases and is a direct result of human industrial activities. The United Nations Framework Convention on Climate Change (UNFCCC) defines climate change as “a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.”

### **Rainfall**

Rainfall in the Namakwa District is already very variable, and very low compared with the rest of South Africa. There are already noticeable water constraints that impact on the ability of municipalities to deliver water services effectively. Median and worst case scenarios predict a decrease in rainfall for Namakwa’s winter rainfall areas, with average annual rainfall projected to decrease by up to 30% along the west coast by 2100. This drying trend is particularly strong towards the end of the rainy season. Changes in weather patterns in the summer rainfall areas can be expected as a result of climate change and the Namakwa District is likely to experience some combination of the two rainfall impacts. A best case scenario to 2050 indicates there may some early increase in rainfall, followed by drying later as frontal systems shift southwards. There are likely to be more frequent and more intense rainfall related extreme weather events such as droughts and storms. The NDM is already drought prone, and while little change is projected in the immediate future, droughts are expected to increase in frequency and severity by up to 50% towards the end of the century.

### **Temperature**

The Karoo Hoogland LM is already a hot place, with summer day-time temperatures regularly reaching the high into the 30s Celsius. Climate scientists predict a rise in average temperatures as a result of climate change. A significant trend for increasing temperatures is already shown by weather stations in the Northern Cape tacking temperature data from 1960-2003. Under a relatively unmitigated scenario for future climate change, the Namakwa District can expect a 1-3°C increase in temperature along the coast by 2050, rising to a 3-4°C increase in temperatures by 2100. The interior can expect greater increases in temperature, between 3-6°C increased in temperatures by 2100.

### **Coastal Processes**

According to the IPCC (2007), sea levels are projected to rise globally by 15 to 95cm by 2100. The coastline may be impacted by ‘storm surges’ and rising sea levels. The town of

Port Nolloth, for example, has been affected by storm surges in the past (most recently in 2009) and may be at risk from the same in the future. Although overall vulnerability to these processes is fairly low due to a steep, rocky coastline evolved in response to historical big swell and wave action, there are nodes of vulnerability around towns, fishing fleets, and estuaries.

## **Impacts Analysis**

A combination of increasing temperatures and reduced and/or more variable rainfall could have severe negative impacts for the Namakwa District. The municipality is characterised by fairly high levels of poverty and inequality, isolated communities, and a large geographical area, which results in a vulnerable population. Large numbers of people, both private and communal, are also directly dependent on agriculture, and therefore on functioning ecosystems and water regimes, for their livelihoods. These are sensitive to climate change. Water quality and availability will likely be the greatest area of impact in the Karoo Hoogland.

## **Conclusion**

Climate change threatens food security, poverty alleviation and sustainable socio-economic growth, core mandates of the municipality. Climate change will impact persons and groups that are already vulnerable. Policy decisions taken in the next decade will largely determine the dimension of the impact of climate change. Eco-systems-based adaptation approaches, using nature and biodiversity to help people cope with and respond to the negative impacts of climate change, will have an important role to play in the Karoo Hoogland.

Local government is in the front line of implementation and service delivery, and thus local government needs to pursue adequate mitigation and adaptation strategies, which should include participation from the public sector, the private sector and NGOs. There is a need for collaboration amongst all stakeholders. It is also necessary that progressive planning and risk assessment must be done to minimize the effects of climate change. In the case of the Karoo Hoogland municipality these risk assessments have already been completed in the Disaster Management Plans for each municipality and the Climate Change Vulnerability Assessment for the District. Planning can include:

□ **Over the short term:** Disaster risk reduction and disaster relief preparedness, early warning systems for adverse weather, pest and disease occurrence; adequate support for vulnerable groups; equitable disbursement of financial assistance; and the identification and prioritised sustainable management of ecosystems (including agricultural lands) that provide critical ecosystem services such as water retention and flood protection, and their restoration where these are damaged or compromised.

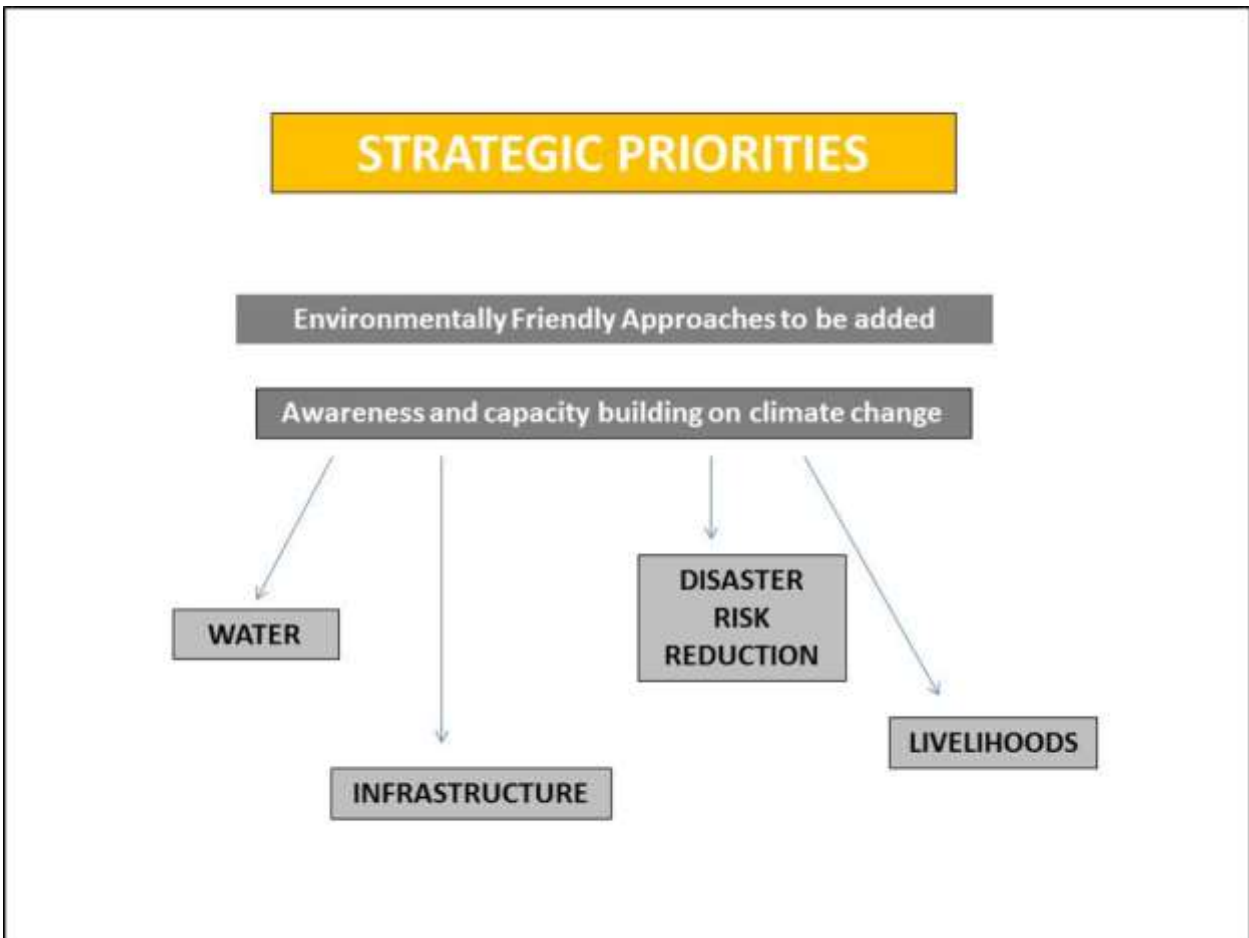
□ **Over the medium term:** Develop an enhanced understanding of longer term climate variability and change and use this to devise adequate disaster management for affected regions; develop sector-specific strategies to cope with variability as a precursor for adaptation to long term climate trends. This could include working with farmers to test and adopt best practices for land and nature resource management in order to quantify the

benefits and overcome the challenges of adaptation approaches, restoration and maintenance of key ecosystem services (grazing land, rivers, and wetlands).

□ **Over the long term:** Significant investments in new adaptation tools, technologies and techniques in conserving, rehabilitating and restoring natural ecosystems to continue to improve the ability of people and society to withstand the adverse impacts to climate variability and climate change at all time frames.

While the short term planning needs can be easily addressed in IDP processes, medium and longer term processes should be incorporated into a climate change response plan linked to the Northern Cape Climate Change Response Strategy.

The strategic priority areas for climate response discussed at the workshop are summarised in the figure below and include awareness and capacity building on climate change response, water infrastructure disaster risk management and livelihoods particularly the protection of agricultural livelihoods and the diversification of livelihoods strategies.



## 4.9 INDOOR AIR QULITY

Indoor air quality is a major determination of personal exposure to pollutants in today's world. Many people spend much of their time in numerous different indoor environments.

The ambient air quality of South Africa is regulated by the National Environmental Management Air Quality Act 39 of 2004 governed by the constitution which states that everyone has the right to an environment that is not harmful to their health or well-being. One way to characterize indoor air quality is to examine typical residence for levels of pollutants that are common place. Another way is to examine energy efficient residences to determine which pollutants if any are at increased levels.

Sutherland is a town with about three thousand inhabitants in the Northern Cape Province it lies in the western Roggeveld Mountains in the Karoo. Sutherland is the coldest town in South Africa with an average yearly temperature of 11.3 degree Celsius and an annual minimum temperature of 2.8 degree Celsius snowfall is common in winter. The coldest temperature recorded in Sutherland was – 16.4 degree Celsius on 12 July 2003 the climate in the region is semi-arid.

#### **4.10 KPA 1: BASIC SERVICES DELIVERY**

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Access to social and economic services enables people to participate fully in the economy and their communities. The Karoo Hoogland Municipality is responsible for all basic services and fulfils its legislative mandate exception of provincial related Health and Education.

##### **WATER PROVISION**

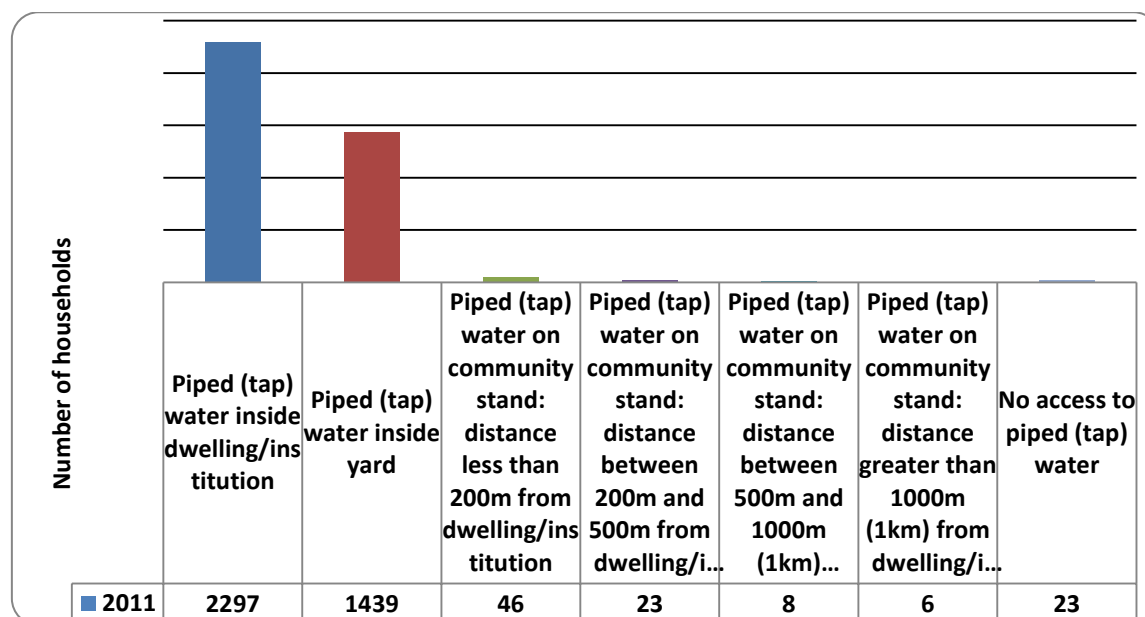
The municipality is dependent on underground water resources and a system of borehole pumps and pipelines are in place to feed the reservoirs in the three towns from where it is further reticulated to all households.

Williston Ward 4 do experience water shortages over the last 2 to 3 years. The town are supplied by underground water but because of the recent draughts water has become a scarce commodity for the area. Alternative water resources was investigated and 5 new boreholes was drilled during the 2017/2018 financial year to adhere to the need of the community and the project will be funded by the Department of Water Affairs under the Regional Bulk Infrastructure Programme. Environmental Impact Assessment and Feasibility Study is completed. In November 2016 the project was approved for the 2017/2017 financial year. The total amount of the project is R27 million.



The municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including the provision of water. A portion of the total salary budget is allocated to water services.

The municipality implemented prepaid water meters starting in Ward 4 Sutherland and will be rolled out to the towns of Fraserburg and Williston in 2017-2018 financial year this is to protect the water resources of the municipality to serve future generations.

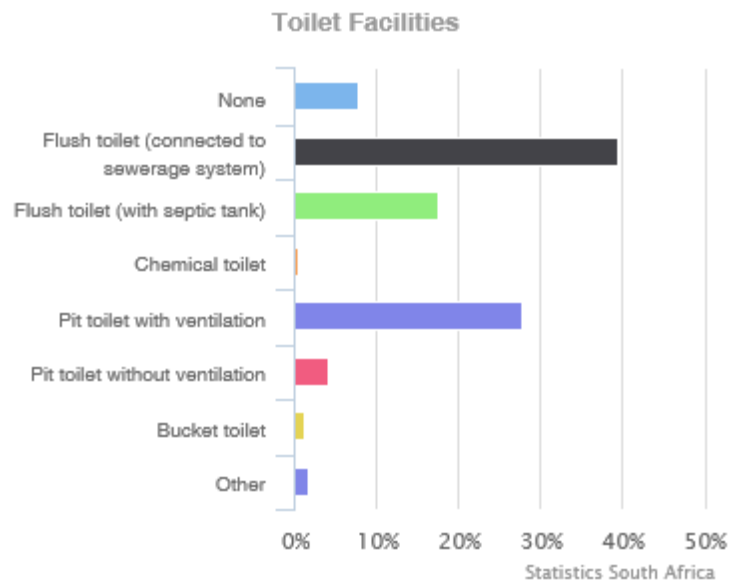


## PROVISION WASTE WATER (SANITATION)

Karoo Hoogland Municipality is providing sanitation as outlined in their powers and functions. The role of the municipality is to ensure that the services is provided adequately to the communities.

- All households in the Karoo Hoogland Municipal area have access to basic sanitation.
- Some of the erven in all three towns are connected to a waterborne sewerage system
- Some erven are still equipped with sewerage drains and the sewerage are removed with sewerage removal vehicles.
- The balance of the erven have dry sanitation toilets (UDS), which are also serviced by the municipality.
- All three towns have oxidation ponds

The municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including the provision of sanitation. A portion of the total salary budget is allocated to sanitation services.

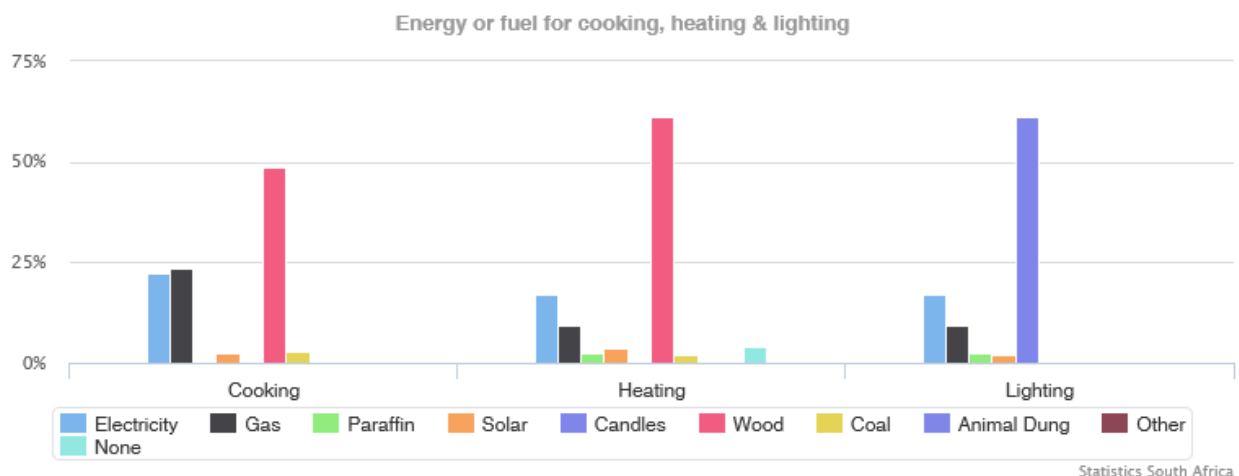


## ELECTRICITY PROVISION

The municipality supplies to Fraserburg and part of Williston. The other part of Williston as well as Sutherland and the rural areas are serviced by Eskom.

DOE funding of R1.5 million was allocated to Fraserburg Ward 2 in the 2016/2017 financial year the funding will be used to electrify the 15 new RDP Houses and for the designed of the new electrical system and purchase a new incoming transformer. The maximum demand will also be increased from eskom.

In the 2017/2018 financial year if funds are allocated construction will start.

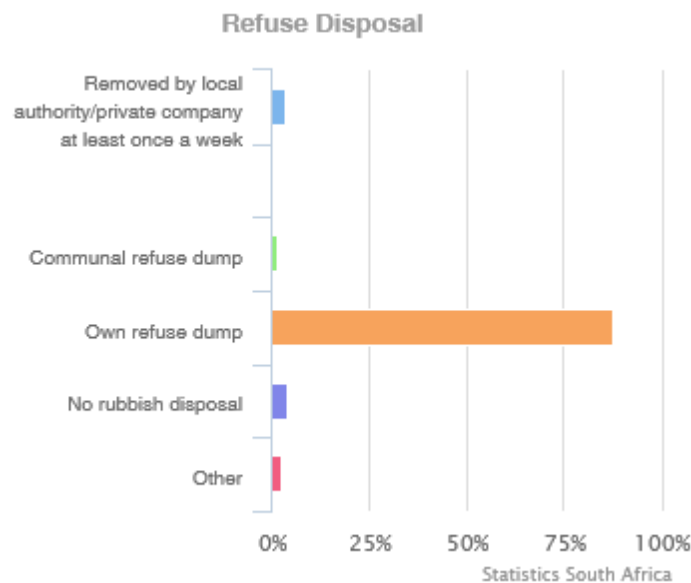


## WASTE MANAGEMENT

The municipality has an Integrated Waste Management Plan 2014/2018 in place which was compiled by the District Municipality.

These teams are responsible for the removal of domestic as well as business refuse. The teams each comprises of a tractor driver and general workers and the refuse are collected manually and transported to the landfill sites in each town. Black bags are available to the public at the municipality in which refuse must be placed. The municipality must ensure proper operation and maintenance of existing infrastructure and equipment through licensing and upgrading of landfill sites.

In terms of Section 49(1) of the National Environmental Management Waste Act (Act 59 of 2008) Karoo Hoogland Municipality was granted a Waste Management License for waste management activities as listed in Category B of Government Notice No. 921 of 2013 as amended 2 May 2014. The facility is situated in Sutherland Ward 4.



## HOUSING

Housing delivery remains a key government intervention to redress the ills of the past and restore the dignity of the poorest of the poor. This is clearly reflected in the Housing Policy and Strategy that focuses on the environment to transform the extremely fragmented. New systems are being established to address the housing backlog.

The municipality does not have a specific staff component to deal with housing matters as the provision of housing is a provincial function. If a housing project is approved the services Consulting Engineers and contractors through prescribed SCM principles. An objective of the municipality is also to enhance sustainable service delivery through infrastructure development with reference to the housing backlog of 680 houses by 2020.

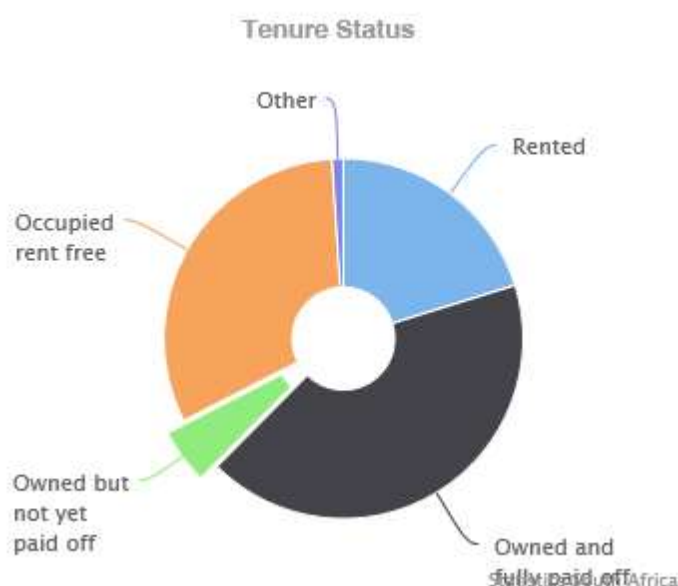
Housing remains one of the few visible signs of government's success to address the needs of the poor. It is therefore critical that local municipalities play their role in facilitating the delivery of houses in their areas. This role is adequately in the Housing Act (1997). Local Government is expected to:

- Conduct adequate planning to promote housing
- Ensure access to adequate housing on progressive basis
- Provide services that support sustainable settlements
- Ensure that the health and safety of the citizens living in the municipality are protected
- Sets its own housing delivery goals
- Identify land for housing development

There is no doubt that delivering "well managed entities in which economic growth and social development are in balance with the carrying of the natural systems on which they depend for their existence and result in sustainable development wealth creation poverty alleviation and equity will improve the quality of life of housing beneficiaries.

Aligning the legislative and policy notions require municipalities to elevate housing as a key development priority. Municipalities need to set clearly defined housing delivery targets and allocate requisite infrastructure investments to realize the objective of the comprehensive plan for the development of sustainable human settlements.

For the 2014-2015 a total of 215 houses was delivered to the community of Fraserburg, Williston will received a 150 service sites for the 2016-2017 financial year and Sutherland a 100 service sites.



## FREE BASIC SERVICES AND INDIGENT SUPPORT

Due to the level of unemployment and subsequent poverty in the local municipal area, there are households that are unable to pay for normal municipal services. The municipality therefore adopted an Indigent Management Policy to ensure that these households have access to at least all basic municipal services and was guided in the formulation of this Policy by the National Governments in this regard.

All households who qualify in terms of the said policy, receives a subsidy on property rates as well as other services charges such as water, refuse and electricity (50kWh of electricity per month free of charge as well as 6000 litres water per household per month (appr. 200 litres of water/day).

Only households where the account holder or property owner has registered as indigent in terms of the municipality's annual registration programme and whose registration has been approved and entered into the register of indigents qualify for the above concessions.

The subsidies on rates and the specified services charges will be determined as part of each annual budget and in terms of the Municipality's Policies on property rates and tariffs.

## **ROAD TRANSPORT**

Williston, Fraserburg and Sutherland have tar and gravel roads. The municipality must submit projects to MIG for the upgrading of roads regularly. The tar roads are currently in a poor condition with potholes occurring all over the roads. The municipality endeavors' to arrange training for its personnel to repair potholes and also purchase the necessary equipment and material to do the work in the future.

Provincial routes need to be resealed. The current conditions have a very negative impact on the local economy as easy access is not available for potential investors and tourist.

The municipality received funding from the Namakwa District Municipality and Department of Public Works in the 2016-2017 financial year for the paving of existing gravel roads in the municipal area. In Fraserburg 2 kilometers were paved and for Sutherland one street will be paved. The municipality did submit a business plan to MIG to pave all existing gravel roads in the coming financial years.

The municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including road services. A portion of the total salary budget is allocated to road services.

## **WASTE WATER STORM WATER DRAINAGE**

Storm water drainage forms an integral part of road infrastructure. Due to the fact that the road infrastructure in the three towns is not up to standard it results in poor storm water drainage during times of heavy rain. The maintenance and construction of storm water structures will only be addressed once the municipality receives funds for the upgrading of its road infrastructure.

The municipality does not have separate personnel attending to this function or a budget in this regard.

## ENVIRONMENTAL PROTECTION

The municipality does not provide these services as it is a provincial function and services are provided by Namakwa District Municipality.

## HEALTH

Health and ambulances is a provincial function and provided by the Department of Health. The service is however not satisfactory due to shortage of doctors ambulances as well as inferior conditions of the road infrastructure between the towns.

There are a total of 3 clinics in the municipal area. According to CSIR planning standards there should be 1 hospital per 25 000 people and 1 clinic per 5 000 people.

Because of the distance of the clinics communities have requested for mobile unites to serve them but also to assist those living in the rural areas.

### Clinics

Ward	Clinic	Frequency of visits	Challenges
1	Williston CHC		
2	Fraserburg CHC		
3	None		
4	Sutherland CHC		

### Health and social facilities

Ward	Clinic	Frequency of visits	Challenges
1	Williston CHC		
2	Fraserburg CHC		
3	None		
4	Sutherland CHC		

## HIV/AIDS

The municipality has established an HIV/AIDS council which falls within the special programmes in the office of the mayor. The council is responsible for ensuring maximum support to NGO's and CBO's that are dealing with HIV/AIDS patients or victims.

## HEALTH INSPECTIONS AND ABATTOIR

The services is rendered and financed by Namakwa District Municipality on a contract base to the municipality.

## **SECURITY AND SAFTY**

Fire and Disaster Management is currently a function of the Namakwa District Municipality however the municipality do have a water truck and fire units for emergencies to attend to. The compiling of a Disaster Management Plan is currently a responsibility of Namakwa District Municipality who assist us with it.

It is critical that the municipality galvanies community structures to assist the police services to prevent and combat crime. At the local level Karoo Hoogland LM should focus on the development of effective by laws including whistle-blowing on corruption and fraud and encouraging the participation of council and residents in Community Policing Forums and other activities aimed at eliminating criminal tendencies.

## **SPORT AND RECREATION**

The municipality has sport grounds in Williston and Fraserburg which are maintained by municipal staff. The current focus of the municipality is to maintain the existing sports facilities. A sport facility will be constructed for Sutherland however this is a multi-year project as the MIG funding will be used.

The municipality will work closely with the Department of Sports and Recreation to assist sporting codes with training and equipment to develop the various sporting codes and to be active for the years to come.

## **CEMETRIES**

Adequate provision is made for cemeteries in all three wards. Priority will be given to investigate new sites for future generations.

The provision of Bulk Services will be a high priority for Karoo Hoogland Municipality and the Maintance of current infrastructure will be addressed through the municipality **Operational Budget, Capital Budget** and projects and assistance from sector departments.

## **4.11 KPA 2: LOCAL ECONOMIC DEVELOPMENT**

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### **BACKGROUND**

Karoo Hoogland Local Municipality was identified as one of the Municipalities to be assisted with their Local Economic Development (LED) strategy. The assistance entails assessing the status of the LED in the local Municipality, the inclusion of the LED in the IDP and the drivers and or stakeholders who form part of the strategy.

### **KAROO HOOGLAND MUNICIPALITY LED ANALYSIS AND PROFILE**

The Karoo Hoogland LM covers a geographical area 29 423 km<sup>2</sup> which is approximately 23% of Namakwa's total. The Municipality has a population density of 0.4 people per km<sup>2</sup> and a household density of 0.1 households per km<sup>2</sup>. Approximately 9% of Namakwa's population resides in the Municipality.

## **LED DEFINED**

“Local economic development LED is an outcome: It is a continuous development process based on local initiatives and driven by local stakeholders. It involves identifying and using local resources and skills to stimulate economic growth and development. “Northern Cape Local Economic Development Manual (NCLEDM) LED is about communities continually improving their investment climate and business enabling environment to enhance their competitiveness, retain jobs and improve incomes. Local communities respond to their LED needs in many ways, and a variety of approaches can be taken that include:

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises;
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city/town/region for regeneration or growth (areas based initiatives);
- Supporting informal and newly emerging businesses;
- Targeting certain disadvantaged groups.

## **LED MANDATE**

The legislation of Local Economic Development is based on the strategic frameworks outlined below:

“A municipality must structure and manage administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of a community.” - South African Constitution (1996)

§ Local economic development must be planned for, implemented and monitored within the context of the national, provincial, local government policy and LED planning framework. Legislation and policy provide a legal framework and therefore LED must be planned for within this legal framework. Legislation that impacts directly on LED planning includes (but is not limited to):

- Municipal Structures Act (No. 117 of 1998)
- Municipal Systems Act (No. 32 of 2000)
- Municipal Finance Management Act (No. 56 of 2003)

In addition to legislation, the impact of important planning policies on a local municipal LED must be considered:



- NDP & NGP, PICC
- IPAP
- PGDS, DGDS, PSDF, DSDF, LSDF, SPLUMA, PLEDs, DLEDs, LLEDs

## **NATIONAL LED FRAMEWORK**

The National Framework for Local Economic Development in South Africa was launched in 2014, and the main thrust of the framework is to promote a strategic approach to the effective and efficient development of local economies in order to foster job-creation and reduce poverty levels through the integration of different government policies and programmes.

Key is leveraging private sector commitment and spending on localities, concretizing partnerships and program coordination that will significantly contribute to shared growth initiatives as advocated through the National Development Plan (NDP), Industrial Policy Action Plan (IPAP), Northern Cape Provincial Growth and Development Strategy (PGDS) and other government policies aimed at ensuring economic growth and transformation.

The LED policy framework therefore focuses on the following **LED Policy Pillars/Thrusts**:

### **Building a Diverse Economic Base:**

- Sectoral development (Manufacturing, Agriculture, Tourism, Green Economy, etc.)
- Metropolitan Economic Development
- Regional Economic Development
- Regional Industrial Development Programme
- Industrial Cluster Development Programme

### **Developing Learning and Skilful Local Economies:**

- Tackling basic skill Gap
- Developing workforce skills
- Developing an Enterprise and Entrepreneurship Culture
- Developing Leadership and Management Skills

### **Developing Inclusive Economies:**

- Informal Economy Support
- Inner City Economic Revitalization
- Township Economic Development
- Inclusive Rural Economy
- Youth and Woman Economic Development
- Expanded Public Works Programme and Community Works Programme

### **Enterprise Development and Support:**

- Small, Medium and Micro Enterprises
- Cooperative Enterprises
- Broad Based Black Economic Empowerment (B-BBEE) Support

- Youth and Woman Enterprises
- Business Development Support

### **Economic Governance and Infrastructure:**

- Improving Economic Leadership and Management Capacity
- Administrative Economic Development Capacity
- Access to development Funding/ Finance
- Developing Local Economies as District Brands
- Economic Infrastructure

## **THE LED LEGISLATIVE AND POLICY CONTEXT**

### **a. National legislation**

#### **i. The Constitution of the Republic of South Africa**

The Constitution (Act 108 of 1996) is the cornerstone for all legislation and policy-making in South Africa. In Particular, Chapter 7 defines the role of local government in its community.

Five objectives of local government are described in section 152:

1. To provide democratic and accountable government for local communities;
2. To ensure the provision of services to communities in a sustainable manner;
3. To promote social and economic development;
4. To promote a safe and healthy environment; and
5. To encourage the involvement of communities and community organisations in the matters of local government.

#### **Furthermore, section 153 stipulates the following developmental duties of all municipalities:**

1. A Municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote social and economic development.
2. A Municipality must participate in national and provincial development programmes.

#### **ii. New Growth Path**

Government adopted the New Growth Path (NGP) as the framework for economic policy and the driver of the country's Jobs Strategy. In response to the core challenges facing the Nation economically namely joblessness, poverty and inequality combined within the global and national context. The by components of the strategy is to (a) identify areas where employment is possible on large scale and

(b) To develop a policy to facilitate employment created through:

1. A comprehensive drive to enhance both social equity and competitiveness,
2. Systematic changes to mobilise domestic investment around activities that can create sustainable employment,
3. Strong social dialogue to focus all stakeholders on encouraging growth in Employment-creating activities.

The focus is to realize the above mentioned and is key job drivers and sectors which include the following:

- Infrastructure;
- The agricultural value chain;
- The mining value chain;
- The green economy;
- Manufacturing sectors, which are included in IPAP; and
- Tourism and certain high-level services.

### **iii. National Development Path**

The National Development Plan is focussed on the socio-economic transformation of our society by 2030 through active change.

The NDP focus on:

- Opportunities,
- Conditions,
- Rising living standards,
- Poverty reduction,
- Growth,
- Employment,
- Capabilities.

This is underpinned through social collision and enabled by active citizenry, strong leadership and effective government. It gives a focus for 2030 which is largely enabled by the National Growth Path.

### **iv. The Industrial Policy Action Plan (IPAP)**

The major weakness identified in South Africa's long-term industrialisation process is that the decline in the share of employment in the traditional tradable sectors, particularly mining and agriculture, has not been offset by a sufficiently large increase in the share of relatively labour-intensive employment in non-traditional tradable goods and services, particularly manufacturing.

Consequently, the objectives of the IPAP2 are:

1. To facilitate a shift away from reliance on traditional commodities and non-tradable services and promote value-added goods and services that competes in export markets (against imports).

2. To intensify the industrialisation process and move towards a knowledge- rich economy.
3. To promote a more labour-absorbing industrialisation path, with particular emphasis on tradable labour-absorbing goods and services and economic linkages that enhance employment creation.
4. To promote a broader-based industrialisation path characterised by increased participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy.

#### **v. National LED Framework**

The National LED Framework was revised during March 2014 to stimulate and revitalise LED Planning, Coordination and Implementation, and the objectives were somewhat modified to fit the current LED prerequisites.

##### **The objectives of the framework are:**

- To build a shared understanding of LED in South Africa,
- To elevate the importance and centrality of effectively functioning local economies in growing the national economy,
- To wage the national fight against poverty more effectively through local level databases, strategies and actions,
- To improve community access to economic initiatives, support programmes and information,
- To improve the coordination of economic development planning and implementation across government and between government and non-governmental actors,
- To build greater awareness about the importance and role of localities which, globally, which are playing an increasingly significant role as points of investment.

#### **vi. Presidential Infrastructure Coordination Commission**

The PICC is mandated by Presidential Cabinet to plan and coordinate a National Infrastructure Plan. It is driven by the highest levels of political will and dedication to harmonise infrastructure planning and implementation across all spheres of the Government of the Republic of South Africa, State agencies as well as social partners.

Cabinet established the PICC, to:

- Coordinate, integrate and accelerate implementation.
- Develop a single common National Infrastructure Plan that will be monitored and centrally driven.
- Identify who is responsible and hold them to account.
- Develop a 20-year planning framework beyond one administration to avoid a stop-start pattern to the infrastructure roll-out.

The PICC's mandate is to ensure systematic selection, planning and monitoring of large Projects and its terms of reference include the objectives outlined below:

- Identify 5-year priorities,
- Develop a 20-year project pipeline,

- Achieve development objectives: skills, industrialisation, empowerment, research & development,
- Expand maintenance: new and existing infrastructure,
- Improve infrastructure links: rural areas and poorest provinces,
- Address capacity constraints and improve coordination and integration,
- Scale-up investment in infrastructure,
- Address impact of prices,
- Support African development and integration.

### **vii. Special Planning and Land Use Management Act: (16 of 2013)**

Set to aid effective and efficient planning and land use management. In the context of the spatial transformation agenda, SPLUMA has been proposed as a possible tool to effect spatial transformation.

#### **SPLUMA principles are:**

##### **a) The principle of spatial justice, whereby—**

- i. Past spatial and other development imbalances must be redressed through improved access to and use of land;
- ii. Spatial development frameworks and policies at all spheres of government must address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, former homeland areas and areas characterised by widespread poverty and deprivation;
- iii. Spatial planning mechanisms, including land use schemes, must incorporate provisions that enable redress in access to land by disadvantaged communities and persons;
- iv. Land use management systems must include all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas, informal settlements and former homeland areas;
- v. Land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas; and
- vi. A Municipal Planning Tribunal considering an application before it, may not be impeded or restricted in the exercise of its discretion solely on the ground that the value of land or property is affected by the outcome of the application;

##### **b) The principle of spatial sustainability, whereby spatial planning and land use management systems must—**

- i. promote land development that is within the fiscal, institutional and administrative means of the Republic;
- ii. Ensure that special consideration is given to the protection of prime and unique agricultural land;
- iii. Uphold consistency of land use measures in accordance with environmental management instruments;
- iv. Promote and stimulate the effective and equitable functioning of land markets;
- v. Consider all current and future costs to all parties for the provision of infrastructure and social services in land developments;

- vi. Promote land development in locations that are sustainable and limit urban sprawl; and
- vii. Result in communities that are viable.

**c) The principle of efficiency, whereby—**

- i. Land development optimises the use of existing resources and infrastructure;
- ii. Decision-making procedures are designed to minimise negative financial, social, economic or environmental impacts; and
- iii. Development application procedures are efficient and streamlined and timeframes are adhered to by all parties.

**d) The principle of spatial resilience, whereby.**

Flexibility in spatial plans, policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.

**e) The principle of good administration, whereby—**

- i. All spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act;
- ii. All government departments must provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of spatial development frameworks;
- iii. The requirements of any law relating to land development and land use are met timeously;
- iv. The preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, include transparent processes of public participation that afford all parties the opportunity to provide inputs on matters affecting them; and
- v. Policies, legislation and procedures must be clearly set in order to inform and empower members of the public.

**viii. Integrated Sustainable Rural Development Strategy**

The purpose of the Integrated Sustainable Rural Development Strategy (ISRDS) is to enhance the welfare of the poor that inhabit rural areas of South Africa. This is only possible if sustainable economies are created from which they can survive. Successful implementation involves facilitating rural development that is both sustainable and integrated in nature. Municipalities are key players in the implementation of the ISRDS due to their decentralised nature – it is only through direct participation with the rural community that one can correctly identify the developmental needs and opportunities. It is also essential for local stakeholders to be mobilised in order to create an environment in which the IRSDS can be successfully facilitated and sustained.

**ix. The Broad-Based Black Economic Empowerment Act**

In order to uproot inherited social imbalances, progressive legislature has been passed. One example is the

Broad-Based Black Economic Empowerment (BBBEE) Act of 2004 where systematic measures are in place to uplift previously disadvantaged communities.

Those included in the 'broad-based black' definition are Africans, Coloureds, Indians, women, workers, the youth, disabled persons and those who live in rural communities.

The main objective of the BBBEE Act is to

transform the South African economy to better reflect the South African society, whereby commercial enterprises are largely owned and managed by previously disadvantaged individuals. This Act also aims to support the 'broad-based black' population through promoting public and private investment in relevant communities and providing easier access to financial assistance.

## **b. Provincial legislation**

### **i. The Northern Cape Provincial Growth and Development Strategy (NCPGDS-2012)**

Planning for the promotion of economic growth and social development lies at the core of government's responsibility to provide a better life for all. It is essential to ensure that planning is integrated across disciplines, co-ordinated within and between different planning jurisdictions and aligned with the budgeting processes of national, provincial and local government.

The NCPGDS sets the tone for development planning and outlines the strategic planning direction in the Province.

The main objectives set by the NCPGDS for development planning in the Province are:

1. Promoting the growth, diversification and transformation of the provincial economy.
2. Poverty reduction through social development.
3. Developing requisite levels of human and social capital.
4. Improving the efficiency and effectiveness of governance and other development institutions.
5. Enhancing infrastructure for economic growth and social development.

The following sectorial documents have been developed in line with the PGDS:

1. Provincial LED Strategy.
2. Provincial Tourism Strategy.
3. Provincial SMME Strategy.
4. Provincial Trade and Investment Strategy.
5. Provincial Incubation Strategy.
6. Provincial Agriculture Strategy.
7. Provincial transport Strategy.

### **ii. Provincial Spatial Development Framework**

The PSDF provides an appropriate spatial and strategic context for future land-use throughout the Northern Cape, from a *provincial* perspective. The PSDF is an

expression of the mental image, vision and aspirations which the people of the Northern Cape have for their province.

From a spatial planning perspective the key objectives of the PSDF are to:

- a. Provide a spatial rationale and directive for future development in terms of the principles of sustainability as advocated by the National Framework on Sustainable Development (Department of Environmental Affairs {DEA}, 2008) and the National Strategy for Sustainable Development and Action Plan 2011-2014 (NSSD) (DEA, 2011).
- b. Give effect to the directives of the national government as expressed in *inter alia* the National Spatial Development Perspective (NSDP), the National Framework on Sustainable Development (DEA, 2008), and the National Strategy for Sustainable Development and Action Plan 2011-2014 (NSSD).
- c. Give spatial effect to the provisions of the Northern Cape Provincial Growth and Development Strategy (PGDS) (July 2011) and guide implementation of anchor projects.
- d. Provide direction for the roll-out of national and provincial rural development programmes in the province, e.g. the Comprehensive Rural Development Programme (CRDP), Comprehensive Agricultural Support Programme (CASP), etc.
- e. Provide guidance to public and private infrastructure investment in the province, taking cognisance of the growth and development potential of the various regions and settlements in the province.
- f. Spatially co-ordinate and direct the activities and resources of the provincial government departments.

## **c. Municipal Legislation**

### **i. The White Paper on Local Government**

According to the White Paper on Local Government, local authorities have the following responsibilities in terms of their obligation to economic development:

1. Provide marketing and investment support in order to attract potential support to their locality.
2. Small business support services should be provided to assist small entrepreneurs.
3. To support the Local Business Support Centres Programme (i.e. SEDA) launched by the Department of Trade and Industry. The purpose of these centres is to assist local entrepreneurs with issues relating to skills, premises, information, networking, marketing and credit.
4. To provide targeted assistance (such as market research and technology provision) to a particular sector in the local economy that has the potential to expand.
5. Supplementing and tailoring the services provided by the Department of Labour to local needs through the supply of training and placement services. This is necessary to ensure that people acquire skills and find jobs.

### **ii. The Municipal Structures (1998) & Municipal Systems Act (2000)**



The Municipal Structures Act of 1998 defines the types and categories of Municipalities, division of functions and powers within Municipalities, and the regulation of internal systems. Great emphasis is placed on the need for co-operation between different levels of government to better achieve goals and targets.

Alternatively, the Municipal Systems Act of 2000 provides Municipalities with guidelines which 'enable municipalities to move progressively towards the social and economic upliftment of local communities' so that basic services may be met. Duties of the municipal council (within financial and administrative capacity) are given in section 4(2):

1. Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community;
  2. Provide, without favour or prejudice, democratic and accountable government;
  3. Encourage the involvement of the local community;
  4. Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner;
  5. Consult the local community about —
    - a. The level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider: and
    - b. The available options for service delivery.
  6. Give members of the local community equitable access to the municipal services to which they are entitled;
  7. Promote and undertake development in the municipality;
  8. Promote gender equity in the exercise of the municipality's executive and legislative authority
  9. Promote a safe and healthy environment in the municipality: and
  10. Contribute together with other organs of state, to the progressive realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution.
- In addition, Section 26 stipulates that every Municipality is bound by law to produce an integrated development plan (IDP) of which LED is a core component.

### **iii. Back to Basics (B2B)**

The Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGSTA) is currently looking into adding Local Economic Development as one of the Pillars in their Back to Basics strategy (B2B), this however is still under review. If this is concluded during the Back to Basics review it will be prioritize substantially.

## **VISION MISSION AND OBJECTIVE**

### **Vision**

The LED vision of Karoo Hoogland Local Municipality is:” *To create a safe, healthy and economically sustainable environment where all the residents of the Karoo Hoogland LM benefits from basic service provision and adequate social infrastructure.*”

The goals and objectives have been derived from the constraints and opportunities stated during the LED engagements with stakeholders, these goals and objectives aim to address the needs of unemployment and poverty in Karoo Hoogland Local Municipality.

The LED goals for Karoo Hoogland Local Municipality are as follows:

- Poverty relief through effective basic service delivery and job creation,
- Assist with economic interventions in sector development (agricultural, tourism and renewable energy,
- Facilitate education, literacy, skills development and capacity building within the Local economy,
- Promote business and investment attraction and retention,
- Enhance sustainable service delivery through infrastructure development.

## **Structure and System**

The institutional profile and organogram is unique to every area and should be informed by the LED vision. Directly under the municipal manager we have the following:

### **Organogram**

The LED Manager is usually responsible for Local Economic Development, marketing, investment attraction, job creation and poverty alleviation, SMME development and promotion, tourism development and promotion, IDP, youth advisory centre, the compilation of policies and planning documents, arrangements for campaigns and promotions. Currently there is no LED Manager, but with the restructuring a Manager: Community Services position has been created, who reports directly to the Municipal Manager undertaking LED , IDP and other related matters for the municipality.

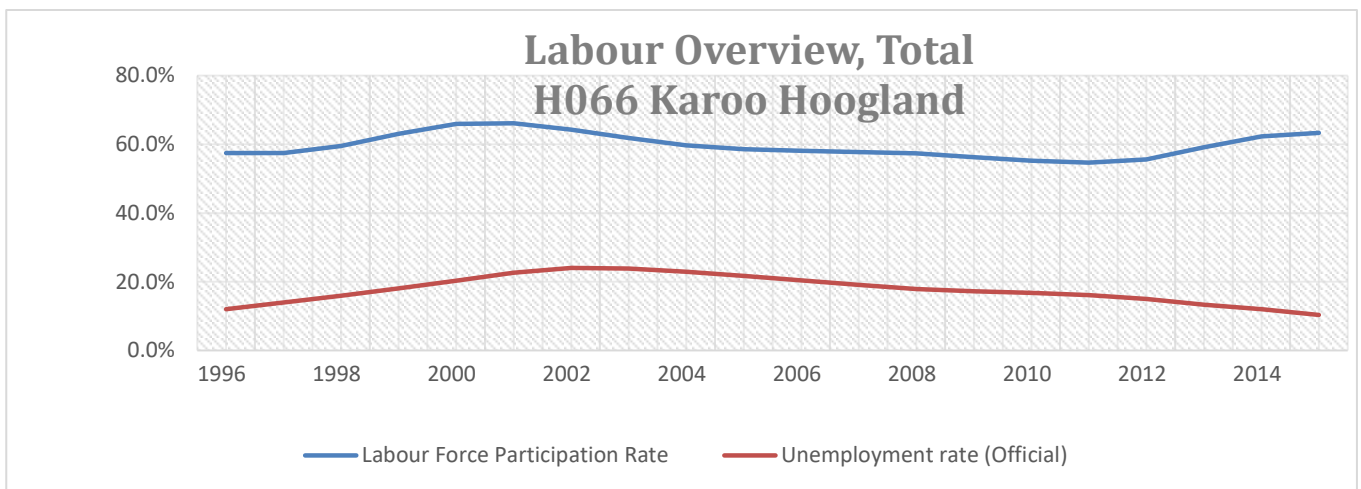
### **LED Forum**

The Karoo Hoogland Municipality has no LED Forum established. There is however an IDP Rep Forum in the Municipality that are utilized for engagements during the review of the IDP. The main objective is to coordinate the development initiatives in the area as well as to ensure that the implementation plan of the LED strategy will be implemented as well as integration of the different policies. This forum will ensure that poverty, job creation and social and economic development must take place.

## **Opportunities and Projects**

### **Economic synopsis**

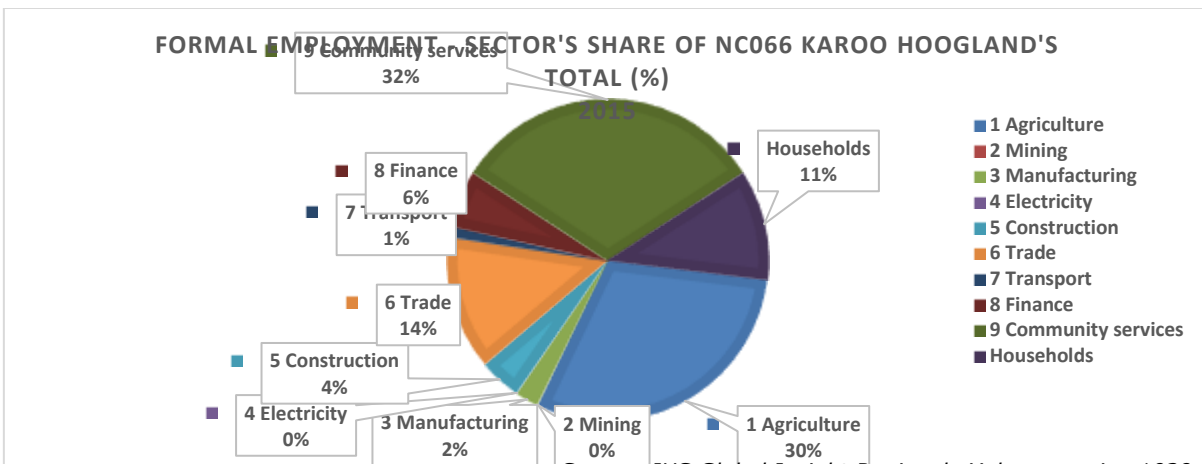
Employment status



The labour force participation rate in Karoo Hoogland increased quite fast since 1996 till 2002. From thereon there was a steep decline till 2011. The main reason for the decline is the fact that agriculture is the main job creating sector in the area. There was no other sectors that created jobs during this period. Since 2011 there is an increase in jobs over the last 4 to 5 years. This increase was mainly caused by the new SKA project that was implemented. During 1996 till 2002 there was a steep increase in the unemployment rate in the Karoo Hoogland Municipality. Since 2002 there was however a steady decline in the unemployment rate in the area. It declined from 24, 0% in 2004 to 12,1% in 2014. The main reason is the consistent contribution of the agriculture sector towards job creation in the Municipal area and the related opportunities of SALT. The related infrastructure and tourism opportunities consistently increased and absorbed local labour. Although there was a recession in 2008 it cannot be identified in terms of the statistics. As unemployment is one of the priority issues in KarooHoogland Municipality raised by the community, these statistics confirm that unemployment is not a huge problem in the Karoo Hoogland Municipality. The Karoo Hoogland LM's employment status consists of:

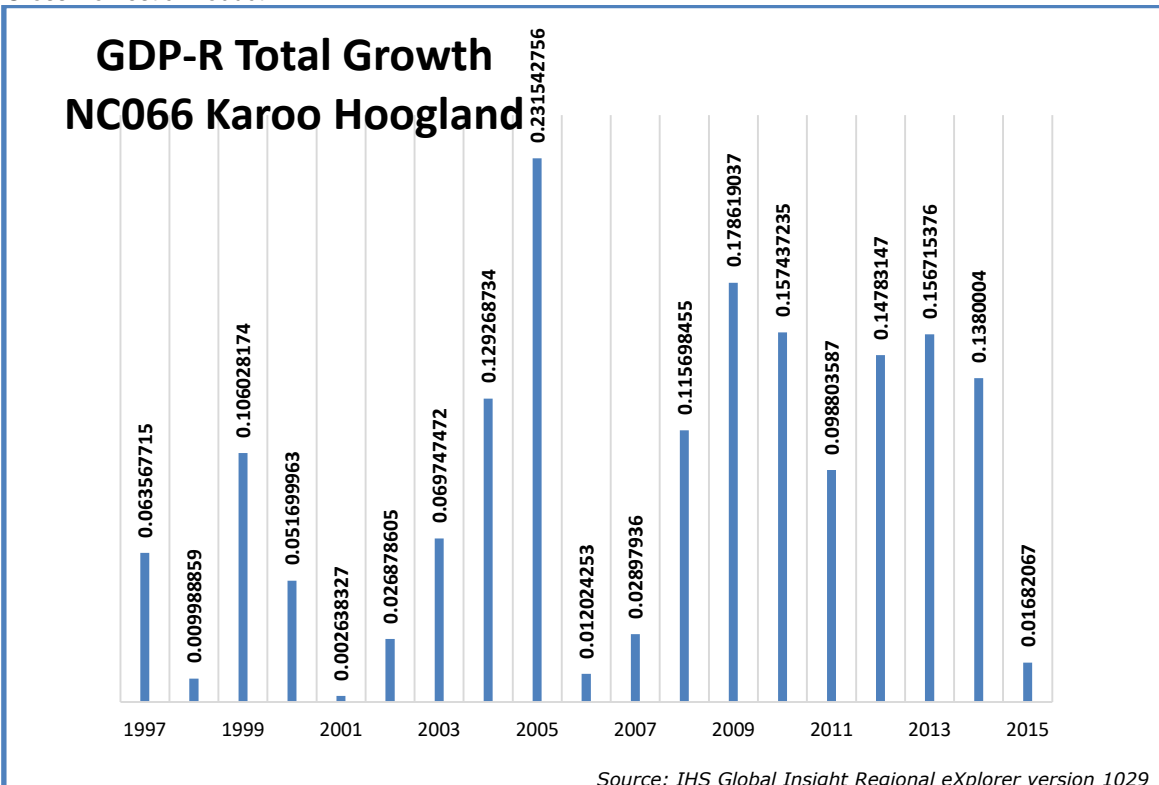
- 12,1% unemployed
- Labour force participation rate – 63,3% more or less at the same level as in 1999
- The main reason for this tendency is that the uptake of employment is steady and quick due to the fact that it is low or semi-skilled labour that is required.

Industry



Looking at the total formally and informally employed people within the Karoo Hoogland Municipality, most people are employed within the Government and Community Services sector by 32%, secondly the Agriculture sector with 30% and the trade and retail sector with 14 %. If the Agriculture sector keep on declining and contribute less due to global economics and the droughts, while the Government sector started to contribute more towards grants and subsidies it can become problematic for the sustainability of the Municipality. New industries like the SALT, SKA, tourism and renewable energy must be supported to try and do a turnaround for the sustainability of the Municipality.

#### Gross Domestic Product



The GDP growth in Karoo Hoogland was fairly consistent over the years since 1996 till 2014. The rate ranges from nearly 2,2% in 2005 to 0.02% in 1998. The periods when droughts or other factors have played a part can be seen in the periodic declines in 1998,

2002, 2006 and 2015. These effects are being felt due to the fact that the main sector contributors are agriculture and community services. On average the growth over the period was 0, 9% which shows the consistent contribution by the agriculture sector over this time period. The steepest declines were experienced during 2005 and 2015 during drought years. The SALT and SKA with their related investment and spin-offs has also consistently grown and expanded the GDP base.

## PILLARS and THRUSTS

### PILLARS THRUST TASK/PROJECTS

#### PILLARS AND THRUSTS

PILLARS	THRUST	TASK/PROJECTS
Building a diverse Economy	Renewable Energy/ SKA/ Mining Development	<ul style="list-style-type: none"> <li>Investigate possible opportunities for development of renewable energy.</li> <li>Investigate opportunities for mining eg. Fracking , Uranium</li> <li>Investigate opportunities that can emerge from SKA development</li> </ul>
Developing Learning & Skillful Local Economies	Institutional Development	<ul style="list-style-type: none"> <li>Establish an LED Committee</li> <li>Establish a functional LED Forum</li> <li>Identify appropriate LED Training and Capacity Building programmes for various staff members</li> <li>Establish an LED Committee</li> <li>Establish a functional LED Forum</li> <li>Identify appropriate LED Training and Capacity Building programmes for various staff members</li> </ul>
Developing Inclusive Economies	Agriculture Development	<ul style="list-style-type: none"> <li>Water capacity needs to be extended.</li> <li>Determine the viability of new agricultural ventures.</li> <li>Release land to Local farmers</li> <li>Source funding for farmers</li> <li>Establish community gardens</li> </ul>
	Tourism Development	<ul style="list-style-type: none"> <li>Update the existing Tourism Strategy (2002)</li> <li>Investigate possible linkages and joint initiatives with other Namakwa Local Municipalities, the Western Cape and Namibia</li> <li>Establish Tourism Information Centres in all Towns</li> <li>Training of tour guides.</li> </ul>
Enterprise Development and Support	SMME and Business Support	<ul style="list-style-type: none"> <li>Source funding for emerging businesses</li> <li>Generate a SMME Database</li> <li>Providing training and support</li> </ul>

		for leadership and management development ■ Identify skills gaps within key economic sectors ■ Identify available land and ensure that it is serviced and zoned correctly; and allow equal access to this land for Local communities ■ Strengthen marketing platform for SMME's to market good and services ■ Implementation of mentorship programmes for SMME's ■ Ensure training programmes provided are relevant and accredited ■ Facilitate training programmes available ■ Determine the viability small scale mining ventures.
Economic Governance & Infrastructure	Quality of Life Improvement	■ Overcome backlogs in service delivery ■ Implement opportunities for bulk infrastructure development ■ Improve access to health care and education

## Thrusts

### Agriculture in Karoo Hoogland

Large farm portions owned by the municipality are made available to emerging farmers. These areas need to be well managed to ensure sustainable communities, i.e., impose grazing management guidelines, capacity building programmes, settlement densities and the provision of services and business support. The larger extent of Karoo Hoogland consists of agricultural land with low potential grazing mainly used for sheep and game farming. There is an increasing interest in commercial game farming, hunting safaris and holiday farms in the municipal area. Only 1.5% of soils are highly suitable for arable agriculture, where climate permits. Possibilities for small-scale intensive irrigation farming exist on the banks of the Sak, Riet, Sout, Brak and Damfontein Rivers.

### Mining

The mining industry in Karoo Hoogland could become an employer in years to come, considering the huge uranium deposits. Possibilities of uranium mining have been identified, mainly in the southern part of the municipality:

- South east (Damfontein se River) and south west of Fraserburg (Klein Riet River)
- South east of Sutherland, close to Salpeterskop and on the banks of the Riet River

Other mining opportunities include:

- Copper and silver are found on Klein Witkraal op Kapgat 724, Klein Kookfontein 137,

- Droogfoots Fontein 356 and Arbeiders Fontein 150.
- Calcite is found on the farms Annex Kransfontein 721 and Arbeiders Fontein 15

## **Tourism**

Williston is situated on the beds of the Zak River, a seasonal river where unique riverbed irrigation is practiced, similar to that at the Nile River in Egypt. There is a fantastic but eerie reason to visit Williston:

Tombstone Route, showcasing an exceptional form of art - stone cutting. Nowhere will one find more beautiful and fascinating tombstones than here. Sutherland is 120km north of Matjiesfontein (turn-off from the N1) on the R354 and approximately 135km south of Calvinia. Sutherland was established in 1858 and named after a prominent Worcester cleric, Reverend Henry Sutherland, the town on the Roggeveld Plateau 1 450m above sea level is known for its brilliant night skies and cold, biting winters, known to be the coldest place in SA. There are also footprints of glaziers called the Paleo Surface and the Tankwa Karoo Nature Reserve that can contribute to the overall tourism potential of the Municipal area.

## **Renewable Energy**

Roggeveld Wind Farm development is proposed in the Roggeveld Mountains. The facility will utilise wind turbines to generate electricity that will be fed into the Nation Power Grid. The facility will have an energy generation capacity of up to 750MW and will consist of the following:

- ± 250 wind turbines;
- Electrical connections;
- Substation (single storey of approximately 2500m<sup>2</sup> in size)
- Access roads and site access; and
- Additional project infrastructure.

Suurplaat Wind Energy Facility lies 50km south east of Sutherland and 41km north of the N1 national road. The study area measures approximately 10 874 hectares. The electricity generated will be fed into the National Power Grid and will consist of 140 wind turbines and associated infrastructure (i.e. substations, access roads and distribution power lines).

## **SKA**

The Karoo Array Telescope (MeerKAT) project involves the construction of a world-class radio telescope, which is being built by the Department of Science and Technology and the National Research Foundation near the towns of Carnarvon and Williston. The construction of the SKA is expected to cost about 1.5 billion Euros.

The Astronomy Geographic Advantage Act, 2007 (Act No. 21 of 2007) indicates that once an area has been declared an astronomy advantage area, measures for protection from detrimental radio interference will be applied as provided in the regulations. Protection levels shall be enforced on any new radio frequency service operating within specific frequency ranges and existing radio frequency services with the proviso that concessions

may be granted. Karoo Hoogland Municipality is impacted on by all three Karoo Central Radio Astronomy Advantage Areas. The specific implications for development are currently unknown SKA. The SKA will be developed over different phases. Pre-construction development started in 2012 and will last until the latter half of this decade, involving the detailed design, implementation, R&D work, and contract preparation needed to bring the SKA's first phase to construction readiness. The main bulk of the SKA will be built in two main phases, between 2018 and the late 2020s, the first phase will involve testing the full system in a "proof of concept" manner. For SKA **Phase 1**, Australia will host the lowfrequency instrument with more than 500 stations, each containing around 250 individual antennas, whilst South Africa will host an array of some 200 dishes, incorporating the 64-dish MeerKAT precursor telescope.

**Phase 2** will complete the telescope arrays at both sites, and become fully operational in the late 2020s, by which time the SKA will count with some 2000 high and mid frequency dishes and aperture arrays and a million low frequency antennas. The SKA will already start conducting science observations in 2020 with a partial array.

## SALT

The South African Large Telescope is close to Sutherland and has become an international known astronomy destination. This has seen Sutherland develop into a research and visitors destination that has led to extensive tourism investment. The benefit is the fairly low barriers to entry. A concern though is the transformation of this sector. Seen as SKA will a radio silence area one foresee that that Sutherland will become the "closest and next best" astronomy destination that I accessible.

### Project list – Prioritised and Budgeted For

Project	Project Description	Budget
Sutherland Bulk Water	Upgrading of current system to supply more households	R 6 582.400.00
Sutherland Sport Ground	Upgrading of facilities	R 1 161.600.00
Palio surface and Museum upgrade		R2,5m
Water metering system in Sutherland	Installation of 100 metering systems as a pilot out of own funds	R2,7m
Karoo Stars and Indigenous knowledge posters	Posters to be distributed to schools , museum and other public sites	R100000
Training of Tour guides and vehicles	Training of guides and purchase of suitable vehicles	R1m

## PROPOSED DUPLICATION OF THE LED COMPONENT FOR KAROO HOOGLAND LOCAL MUNICIPALITY

### LED component for IDP

The following headings and content is based on the in-depth analysis conducted utilizing several sources. This will entail merely duplication of this exact component into the IDP.

### LED OBJECTIVES



**LED Definition:**

“Local economic development LED is an outcome: It is a continuous development process based on local initiatives and driven by local stakeholders. It involves identifying and using local resources and skills to stimulate economic growth and development. “Northern Cape Local Economic Development Manual (NCLEDM)”

**LED Enables:**

LED is about communities continually improving their investment climate and business enabling environment to enhance their competitiveness, retain jobs and improve incomes. Local communities respond to their LED needs in many ways, and a variety of approaches can be taken that include:

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises;
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- Investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city/town/region for regeneration or growth (areas based initiatives);
- Supporting informal and newly emerging businesses;
- Targeting certain disadvantaged groups.

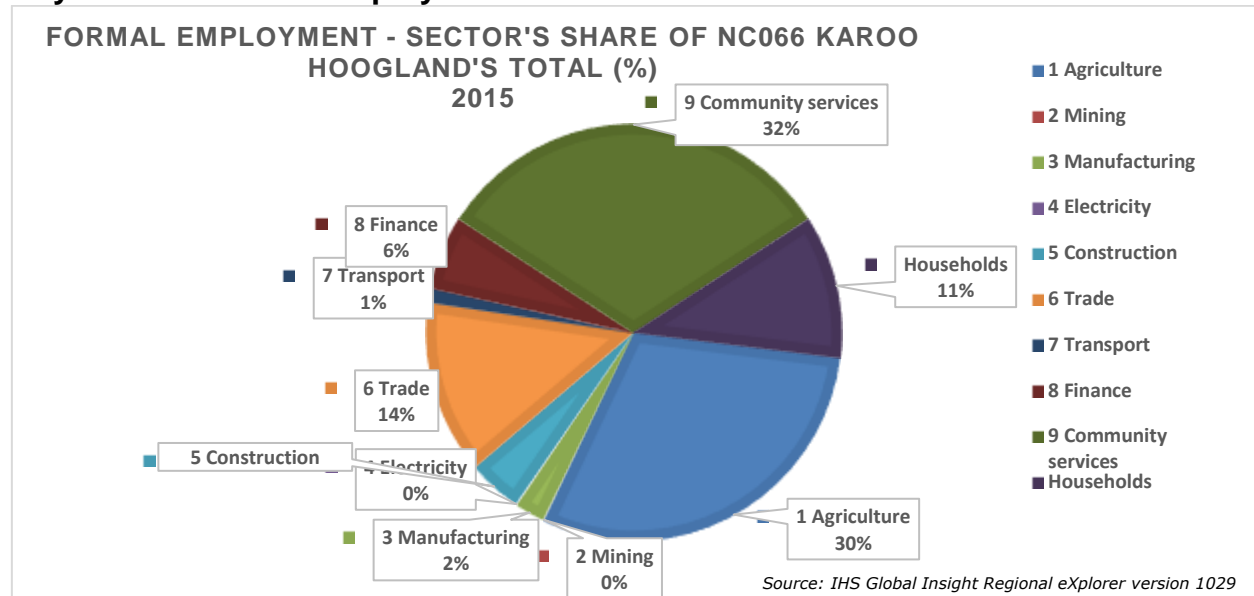
**VISION MISSION AND OBJECTIVES****Vision (current)**

The LED vision of Karoo Hoogland Local Municipality is “*To improve the living standards and conditions of residents through fully utilising its limited resources and to strengthen the local economy by creating an economically sustainable environment*” The goals and objectives have been derived from the constraints and opportunities stated during the LED engagements, these goals and objectives aim to address the needs of unemployment and poverty in Karoo Hoogland.

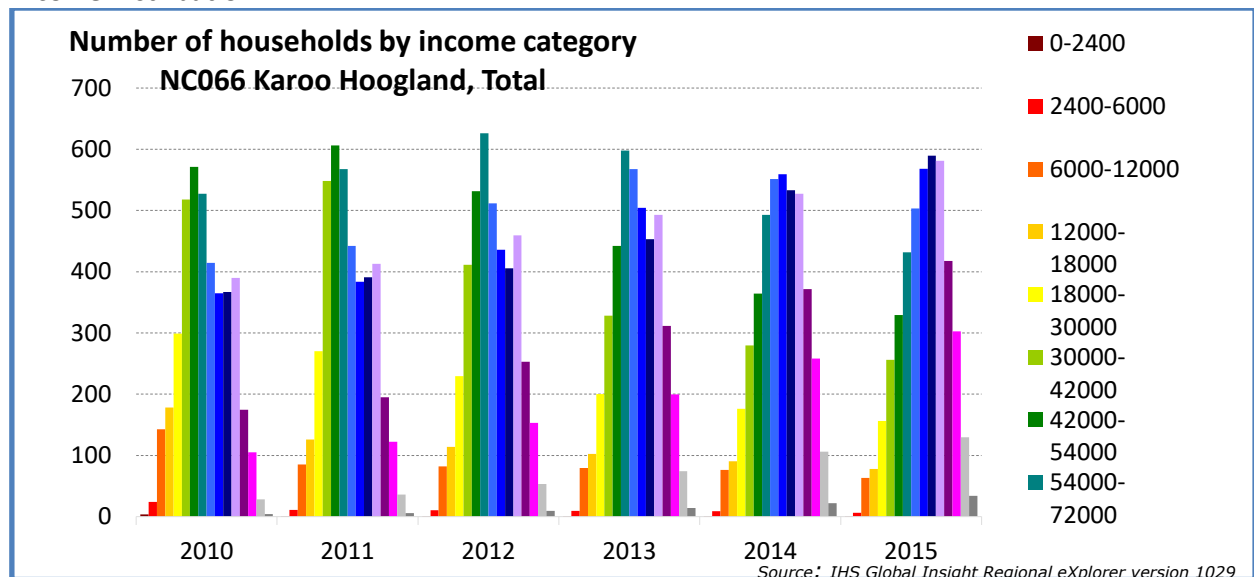
The LED goals for Karoo Hoogland Local Municipality are as follows:

- Poverty relief through effective basic service delivery and job creation.
- Ensure effective service delivery through transformation, capacity building and infrastructure development.
- Form linkages in order to facilitate skills development.
- Promote business and investment attraction and retention.
- Assist with economic interventions in sector development (agricultural, mining, tourism and renewable energy).

## Key statistical data: Employment Status

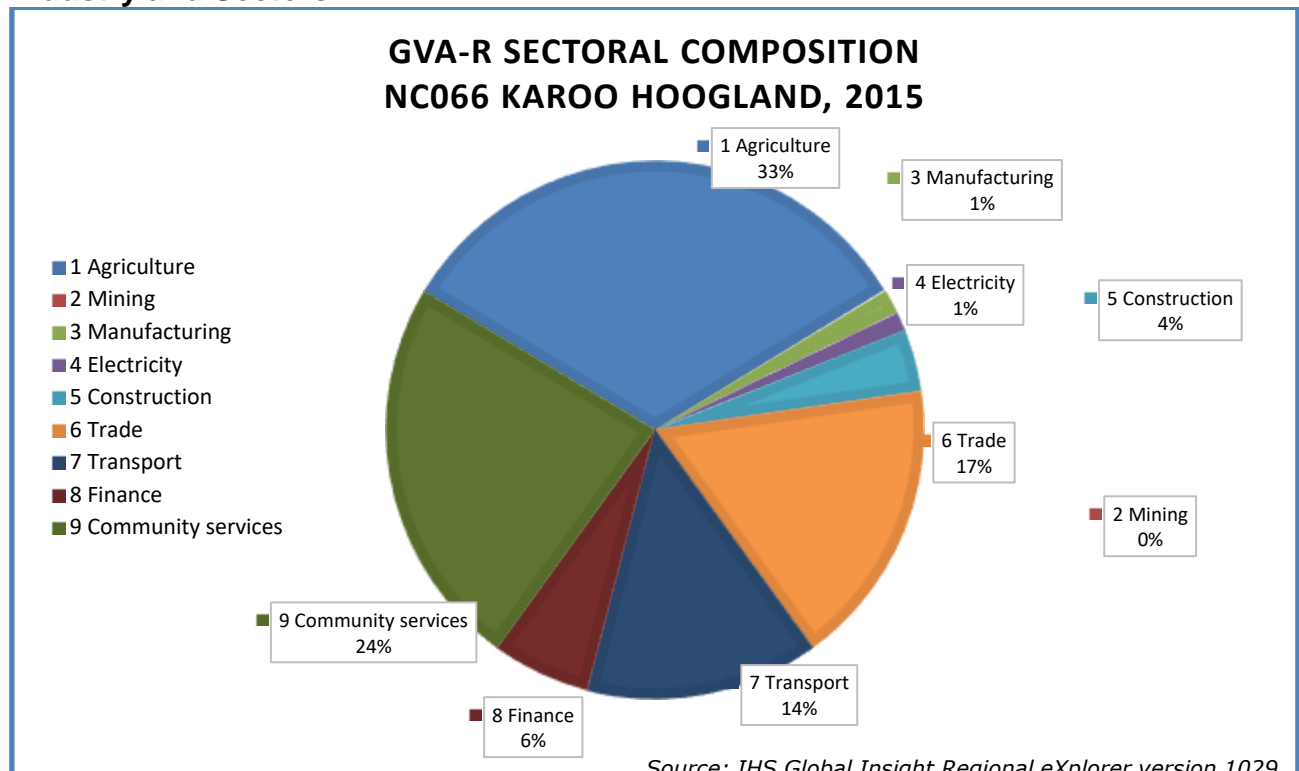


## Income Distribution



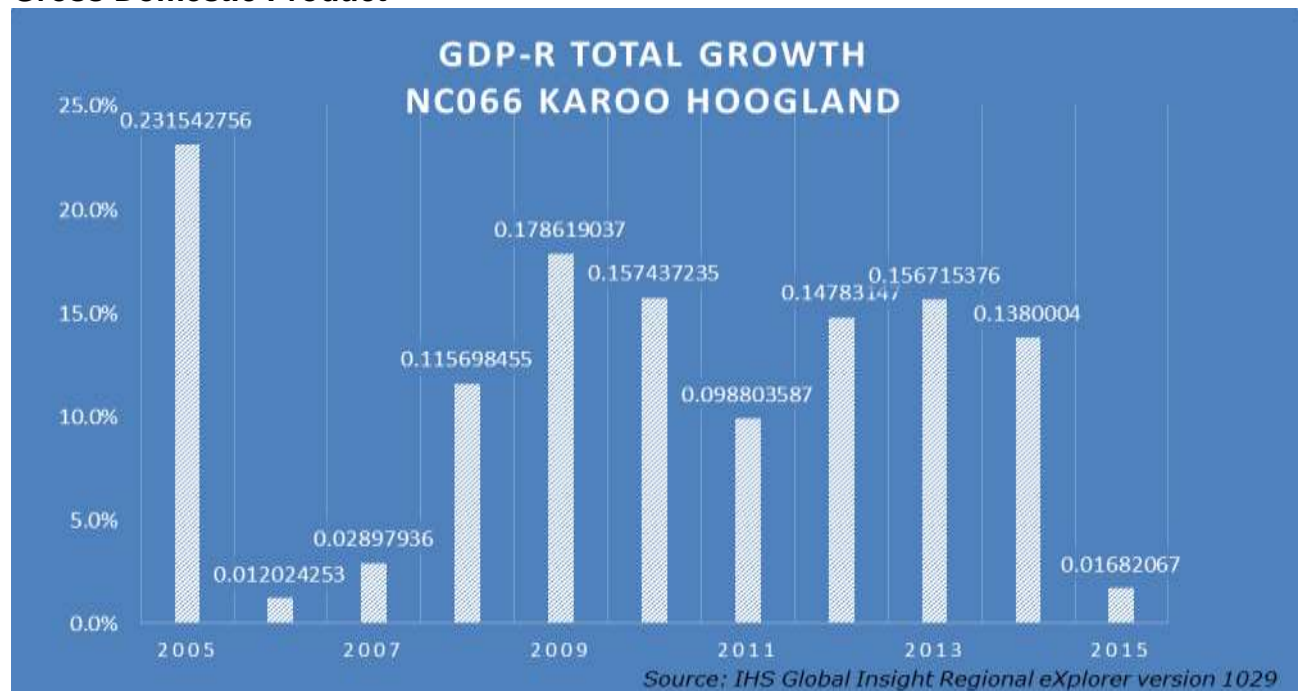
The biggest income groups per household between 2010 and 2011 were in the R42000-R54000 bracket and steady decline in the outer years, with a sharp increase in the R54000 – R72000 group in 2012. The group with the steadiest growth of income over the period was the R6000-R132000 group as indicated in the graph below. This means that the income of households progressed steadily over the last 10 years. This indicated an improvement in the livelihoods of the people of Karoo Hoogland

## Industry and Sectors



In the graph below it still shows that the Agriculture sector (33%) contributes the most in terms of the GVA in 2015. The second sector in terms of contribution is the Community services sector with 24% and in the third place it is the Trade sector with 17%. The sectors that contributed the least were the mining (0%), electricity (1%) and manufacturing (1%).

## Gross Domestic Product



## Gross Domestic Product Growth

The GDP growth in Karoo Hoogland was fairly consistent over the years since 1996 till 2014. The rate ranges from nearly 2, 2% in 2005 to 0.02% in 1998. The periods when droughts or other factors have played a part can be seen in the periodic declines in 1998, 2002, 2006, 2015. These effects are being felt due to the fact that the main sector contributors are agriculture and community services. On average the growth over the period was 0,9% which shows the consistent contribution by the agriculture sector over this time period. The steepest decline was experienced during 2005 and 2015 during drought years.

## PILLARS AND THRUST

### PILLARS THRUST TASK/PROJECTS

PILLARS	THRUST	TASK/PROJECTS
Building a diverse Economy	Renewable Energy/ SKA/ Mining Development	<ul style="list-style-type: none"> <li>Investigate possible opportunities for development of renewable energy.</li> <li>Investigate opportunities for mining eg. Fracking , Uranium</li> <li>Investigate opportunities that can emerge from SKA development</li> </ul>
Developing Learning & Skillful Local Economies	Institutional Development	<ul style="list-style-type: none"> <li>Establish an LED Committee</li> <li>Establish a functional LED Forum</li> <li>Identify appropriate LED Training and Capacity Building programmes for various staff members</li> <li>Establish an LED Committee</li> <li>Establish a functional LED Forum</li> <li>Identify appropriate LED Training and Capacity Building programmes for various staff members</li> </ul>
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	Tourism Development	<ul style="list-style-type: none"> <li>Update the existing Tourism Strategy (2002)</li> <li>Investigate possible linkages and joint initiatives with other Namakwa Local Municipalities, the Western Cape and Namibia</li> <li>Establish Tourism Information Centres in all Towns</li> <li>Training of tour guides.</li> </ul>
Enterprise Development and Support	SMME and Business Support	<ul style="list-style-type: none"> <li>Source funding for emerging businesses</li> <li>Generate a SMME Database Providing training and support for leadership and management development</li> <li>Identify skills gaps within key economic sectors</li> <li>Identify available land and ensure that it is serviced and zoned correctly; and allow equal access to this land for Local communities Strengthen marketing platform for SMME's to market good and services</li> <li>Implementation of mentorship programmes for SMME's</li> <li>Ensure training programmes provided are relevant and accredited</li> <li>Facilitate training programmes available</li> <li>Determine the viability small scale mining ventures.</li> </ul>
Economic Governance & Infrastructure	Quality of Life Improvement	<ul style="list-style-type: none"> <li>Overcome backlogs in service delivery</li> <li>Implement opportunities for bulk infrastructure development</li> <li>Improve access to health care and education</li> </ul>

**ACTION PLAN**

Thrust	Activity	Responsibility	Target Date	Progress
<b>Renewable Energy</b>	Engagements with IPP stakeholders to influence and receive funding for future projects	KHM	January 2017 until project finished	
<b>Mining</b>	Engage with Companies to access SLP funding and procurement opportunities- Fracking ,Uranium	KHM	Ongoing	
<b>SKA</b>	Access opportunities and funding for SMME development	KHM, DST, DED	Ongoing	
<b>LED SMME database</b>	Develop a sectoral database for SMME's and businesses	KHM	Ongoing	
<b>Procurement /SMME policy</b>	Develop a procurement policy and SMME strategy to enhance local procurement	KHM, DEDaT, DED	June 2017	
<b>Tourism Strategy</b>	Develop with assistance of DEDaT Tourism a new strategy	DEDaT, KHM, Open Africa	Aug 2017	
<b>Training of Tour guides and upgrading of Museum</b>	Access funding for tour guide training and the upgrading of the Museum	MIG, Dept of Tourism (Nat)	Oct 2017	

**PROJECT PRIORITIZATION MATRIX**

The project prioritization matrix can be used as a tool to identify projects the Municipality can prioritize in the IDP and LED strategy.

## **OTHER OPPORTUNITIES**

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The above opportunity scan only focussed on three of the nine economic sectors as well as the Tourism Industry. The fact that the other sectors were not included in the opportunity analysis does not mean that these sectors have no potential for development within the Karoo Hoogland LM but rather that these sectors have less potential for development. It is important to note that there are a number of opportunities within these sectors; however the following are seen as the most prominent:

- Mining
  - There is no mining and quarrying taking place in Karoo Hoogland LM. There are opportunities in the area but feasibility studies would need to be done to ensure it does not interfere with the other activities in the area (such as the telescope and astronomy activities).
  - Uranium, Gypsum and gas/oil mining if proven to be feasible
  - Copper and silver are found on Klein Witkraal op Kapgat 724, Klein Kookfontein 137, Droogfoots Fontein 356 and Arbeiders Fontein 150
  - Calcite is found on the farms Annex Kransfontein 721 and Arbeiders Fontein 150
  - Aggregate and building material is found on the farms Brassefontein 371 and Wit Klip 372
- Development of an SMME strategy.

## **ADDRESSING LED CONSTRAINTS**

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Some of the weaknesses identified in the SWOT analysis are not controllable, such as climate. Others, however, can be managed and improved as part of a comprehensive strategy to address supply-side factors and attract investors. Furthermore, many of the threats identified are similarly not easily controllable. They can, however, be monitored and, for example, attempts can be made at halting degeneration (that is gradual decline and closing of certain economic activities). This section, thus, deals with addressing internal constraints to LED, and with regenerating sectors suffering decline. In order to support and enhance the viability of LED projects in the Karoo Hoogland Local Municipal area an “integrated development platform” or a generally enabling environment is needed. This will require addressing, where possible, major constraints to economic development, such as:

- The state of municipality in terms of service provision. This includes human and financial capacity to deliver basic services to the population. This cuts across the roles of the Namakwa District Municipality, the Karoo Hoogland Local Municipality, and the other Local municipalities.
- The status of institutions. The Karoo Hoogland LM is extremely willing to undertake LED initiatives but none-the-less, there remains much room for improvement in terms

of the human and financial capacity (see Section 3 above) to undertake feasibility studies, draw up business plans and attract suitable investors for LED projects.

- Available infrastructure. Infrastructure is a major constraint to LED in the Karoo Hoogland Local Municipality. Efforts to improve road, rail, and air transport are essential. This can continue to be achieved through the EPWP, thus ensuring that Local benefits of any infrastructural construction work are maximised. These types of initiatives will also increase potential for retail sector, for example through increased One-Stop style service stations, particularly along the N7.
- Spatial orientation. The large geographic area covered by Karoo Hoogland Local Municipality is an inherent challenge to LED in the area. The effect of this can, however, be limited to a certain extent through the use of modern technology (i.e. improved telecommunications infrastructure and skills are needed) and through improved transport infrastructure and services.
- Environmental constraints. There are a number of Protected Areas in the Karoo Hoogland Local Municipality. These are, however, seen as valuable tourism and environmental assets.
- Land availability. Land reform is seen to be failing in the area, as claims take years to be processed and many land claim beneficiaries have failed at attempts at farming, for example.
- Supporting institutions. This is an area which is a severe inhibitor of economic development in the Karoo Hoogland Local Municipality, which lacks tertiary education and research and development institutions. Those who can afford to, leave the area for other provinces with better educational facilities, many of whom do not return. This has a negative impact on the quality of labour in the Karoo Hoogland Local Municipality. If the Karoo Hoogland Local Municipality is to realise its goal of diversifying the economy by incorporating more secondary and tertiary economic activities, tertiary education needs to be prioritised through bursary programmes.
- Water supply potential. Water supply in the area is limited and any developments need to take cognisance of this limitation and implement environmentally friendly and water-efficient building, manufacturing and farming technologies.
- Power supply. The Karoo Hoogland LM faces the same energy constraints as the rest of South Africa, placing a limitation on any extremely energy intensive projects. Furthermore, the dispersed nature of the area is reflected by the energy distribution grid and new developments in previously underdeveloped areas will need to take cognisance of costs related to extending distribution systems

The Namakwa DM has a number of projects that aim to support overall LED within the District, including a Business Database which is up and running, an active LED Forum, and an active SEDA. There are plans in place to undertake road shows aimed at informing the public of available business development and business support services available to Local SMMEs and entrepreneurs.

#### **4.12 KPA 3: FINANCIAL VIABILITY**

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This Key Performance Area is without any doubt the most important one since no business or organization can fulfil its obligations without financial resources and sound financial management. The performance of Karoo Hoogland during the year under review must be benchmarked against previous years.

While the 2008/9 and 2009/10 and especially 2010/11 saw a major improvement in the financial results and the audit opinion the 2011/12 and 2012/13 showed a drastic decline in both the administration and financial viability of the council.

One of the key issues identified for the sustainability Karoo Hoogland Municipality is “expanding its revenue in relations to its costs and its financial viability, whilst implementing its mandate”. The responsive key is “effective, efficient, coordinated financial management and increased revenue – enabling EMLM to deliver its mandate”. The plans and strategies detailed in this chapter will contribute to the achievement of this objective.

The application of sound financial management principles for the compilation of the municipality’s financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Budget and IDP were approved within the time limits and further financial constraints were put in place to ensure that the Municipality can adhere to its obligations. The municipality is still depending on grants for any major projects.

For Karoo Hoogland Municipality to continue improving the quality of services provided to its citizens, it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality’s revenue strategy is built around the following key components:

- National Treasury’s guidelines and macro-economic policy;
- Growth in the KHM and continued economic development;
- Efficient revenue management, which aims to ensure a 90 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality’s Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);



- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the KHM.

The following table is a summary of the 2015 / 2016 MTREF (classified by main revenue source):

**TABLE BELOW SUMMARY OF REVENUE CLASSIFIED BY MAIN REVENUE SOURCE**

NC066 Karoo Hoogland - Table A4 Budgeted Financial Performance (revenue and expenditure)

Riverside Council Financial Performance (Revenue and Expenditure)											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Revenue By Source											
Property rates	2	3,643	4,181	4,499	4,862	4,862	4,862	-	5,950	6,301	6,654
Property rates - penalties & collection charges		219	254	262					-		
Service charges - electricity revenue	2	6,020	6,657	7,000	8,669	8,669	8,669	-	9,250	9,796	10,344
Service charges - water revenue	2	1,467	1,898	2,022	2,700	2,700	2,700	-	2,900	3,071	3,243
Service charges - sanitation revenue	2	2,557	3,126	3,089	3,493	3,493	3,493	-	3,308	3,503	3,699
Service charges - refuse revenue	2	-	-	-	-	-	-	-	2,780	2,944	3,109
Service charges - other									8	8	9
Rental of facilities and equipment		760	712	695					497	526	556
Interest earned - external investments		113	26	146	-	-	-		215	228	240
Interest earned - outstanding debtors		320	409	526					948	1,004	1,060
Dividends received											
Fines		5	5	6					5	5	5
Licences and permits		2	81	79					20	21	22
Agency services		207	223	221					243	257	272
Transfers recognised - operational		38,141	31,671	17,872	17,403	17,403	17,403		21,176	20,938	21,794
Other revenue	2	174	687	277	2,341	2,341	2,341	-	595	630	665
Gains on disposal of PPE				235					50	53	56
Total Revenue (excluding capital transfers and contributions)		53,629	49,930	36,930	39,468	39,468	39,468	-	47,945	49,286	51,729

## TABLE BELOW OPERATING TRANSFERS AND GRANT RECEIPTS

NC066 Karoo Hoogland - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		-	-	16,438	17,403	17,403	17,403	19,542	19,208	19,967
Local Government Equitable Share				13,898	14,669	14,669	14,669	15,812	16,426	17,034
Finance Management				1,650	1,800	1,800	1,800	1,800	1,825	1,900
Municipal Systems Improvement				890	934	934	934	930	957	1,033
EPWP Incentive								1,000	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	715	715	715	1,634	1,730	1,827
Library Grant					715	715	715	1,634	1,730	1,827
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	-	-	16,438	18,118	18,118	18,118	21,176	20,938	21,794
<b>Capital Transfers and Grants</b>										
National Government:		-	-	11,805	10,490	10,490	10,490	8,005	8,135	8,329
Municipal Infrastructure Grant (MIG)				10,805	8,890	8,890	8,890	8,005	8,135	8,329
Municipal Infrastructure Grant (MIG)				1,000	1,000	1,000	1,000			
Regional Bulk Infrastructure					600	600	600			
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	-	-	11,805	10,490	10,490	10,490	8,005	8,135	8,329
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		-	-	28,243	28,608	28,608	28,608	29,181	29,073	30,123

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the KHM.

The percentage increase Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of

the KHM. Discounting the impact of these price increases in lower consumer tariffs will erode the KHM's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the KHM is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the KHM has undertaken the tariff setting process relating to service charges as follows.

## **PROPOSED TARIFFS**

The proposed tariffs are set out in **Annexure A** to the report.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;

- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

### **SALE OF WATER AND IMPACT OF TARRIF INCREAS**

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective.

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. The tariff structure of the 2015 / 2016 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption at a higher rate.

### **SALE OF ELECTRICITY AND IMPACT OF TARRIF INCREAS**

NERSA has announced the revised bulk electricity pricing structure. A 14.24 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

Considering the Eskom increases, the consumer tariff had to be increased by 12.20 per cent to offset the additional bulk purchase cost from 1 July 2015. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth

in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2015. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The KHM has entered into discussions with NERSA regarding the suitability of the NERSA proposed stepped tariffs compared to those already being implemented by the KHM. Until the discussions are concluded, the KHM will maintain the current structure of its electricity tariffs.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the KHM. Most of the suburbs and inner KHM reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the Fraserburg electricity network has therefore become a strategic priority, especially the substations and transmission lines.

The approved budget for the Electricity Division can only be utilized for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply). It is estimated that special funding for electricity bulk infrastructure to the amount of R15 million over five years will be necessary to steer the KHM out of this predicament.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers.

### **SANITATION AND IMPACT OF TARRIF INCREASE**

A tariff increase of 6 percent for sanitation from 1 July 2015 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 5 per cent of waste water treatment input costs, therefore the higher than CPI is actually needed as an increase for sanitation tariffs.

### **WASTE REMOVAL AND IMPACT OF TARRIF INCREASE**

A 6 percent increase in the waste removal tariff is proposed from 1 July 2015. This is due to the above inflation rate increase in fuel costs.

### **OVERALL IMPACT OF TARRIF INCREASE ON HOUSEHOLDS**

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills will be 6 per cent.

TABLE BELOW MBRR TABLE SA14 – HOUSEHOLD BILL

NC066 Karoo Hoogland - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates				561.01	594.67	594.67	594.67	6.0%	630.77	667.99	705.39
Electricity: Basic levy									–	–	–
Electricity: Consumption				1,440.00	1,546.42	1,546.42	1,546.42	12.2%	1,720.00	1,821.48	1,923.48
Water: Basic levy				55.00	60.50	60.50	60.50	6.0%	64.14	67.92	71.73
Water: Consumption				131.61	144.77	144.77	144.77	6.0%	160.71	170.19	179.72
Sanitation				90.00	96.30	96.30	96.30	6.0%	102.82	108.89	114.98
Refuse removal				85.59	91.58	91.58	91.58	6.0%	95.40	101.03	106.69
Other											
<b>sub-total</b>		–	–	2,363.21	2,534.24	2,534.24	2,534.24	9.5%	2,773.84	2,937.50	3,102.00
VAT on Services											
<b>Total large household bill:</b>		–	–	2,363.21	2,534.24	2,534.24	2,534.24	9.5%	2,773.84	2,937.50	3,102.00
<b>% increase/-decrease</b>			–	–	7.2%	–	–		9.5%	5.9%	5.6%
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates				397.21	421.04	421.04	421.04	6.0%	446.60	472.95	499.43
Electricity: Basic levy									–	–	–
Electricity: Consumption				720.00	733.21	733.21	733.21	12.2%	860.00	910.74	961.74
Water: Basic levy				55.00	60.50	60.50	60.50	6.0%	64.14	67.92	71.73
Water: Consumption				109.11	120.02	120.02	120.02	6.0%	131.36	139.11	146.90
Sanitation				90.00	96.30	96.30	96.30	6.0%	102.08	108.10	114.15
Refuse removal				85.59	91.58	91.58	91.58	6.0%	95.40	101.03	106.69
Other											
<b>sub-total</b>		–	–	1,456.91	1,522.65	1,522.65	1,522.65	11.6%	1,699.58	1,799.85	1,900.64
VAT on Services											
<b>Total small household bill:</b>		–	–	1,456.91	1,522.65	1,522.65	1,522.65	11.6%	1,699.58	1,799.85	1,900.64
<b>% increase/-decrease</b>			–	–	4.5%	–	–		11.6%	5.9%	5.6%
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates								–	248.62	263.29	278.03
Electricity: Basic levy								–	–	–	–
Electricity: Consumption								–	363.00	384.42	405.94
Water: Basic levy								–	–	–	–
Water: Consumption								–	77.41	81.98	86.57
Sanitation								–	–	–	–
Refuse removal								–	–	–	–
Other								–	–	–	–
<b>sub-total</b>		–	–	–	–	–	–	–	689.03	729.68	770.55
VAT on Services											
<b>Total small household bill:</b>		–	–	–	–	–	–	–	689.03	729.68	770.55
<b>% increase/-decrease</b>			–	–	–	–	–		–	5.9%	5.6%

## OPERATING EXPENDITURE FRAMEWORK

The KHM's expenditure framework for the 2015 / 2016 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to sanitation and streets.

- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2015 / 2016 budget and MTREF (classified per main type of operating expenditure):

Table 1 Summary of operating expenditure by standard classification item

<b>Expenditure By Type</b>											
Employee related costs	2	17,718	18,599	17,202	18,157	18,157	18,157	-	17,352	18,419	19,496
Remuneration of councillors		1,321	1,640	1,691	1,973	1,973	1,973		2,394	2,102	2,225
Debt impairment	3	2,040		1,328	2,841	2,841	2,841		2,340	2,478	2,617
Depreciation & asset impairment	2	14,115	15,033	15,464	14,653	14,653	14,653	-	400	424	447
Finance charges		551	677	507	-	-	-		305	305	305
Bulk purchases	2	4,952	5,085	6,542	6,800	6,800	6,800	-	7,615	8,064	8,516
Other materials	8	2,195	1,604	956	1,181	1,181	1,181		2,028	1,882	1,660
Contracted services		-	-	-	-	-	-	-	1,950	2,065	2,181
Transfers and grants		11,484	7,477	3	-	-	-	-	-	-	-
Other expenditure	4, 5	5,129	4,198	9,724	7,482	7,482	7,482	-	13,451	13,365	14,040
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>59,505</b>	<b>54,311</b>	<b>53,416</b>	<b>53,087</b>	<b>53,087</b>	<b>53,087</b>	<b>-</b>	<b>47,834</b>	<b>49,103</b>	<b>51,486</b>
<b>Surplus/(Deficit)</b>		<b>(5,876)</b>	<b>(4,381)</b>	<b>(16,486)</b>	<b>(13,619)</b>	<b>(13,619)</b>	<b>(13,619)</b>	<b>-</b>	<b>111</b>	<b>183</b>	<b>243</b>
Transfers recognised - capital		3	1	12,059							
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets									-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(5,873)</b>	<b>(4,380)</b>	<b>(4,427)</b>	<b>(13,619)</b>	<b>(13,619)</b>	<b>(13,619)</b>	<b>-</b>	<b>111</b>	<b>183</b>	<b>243</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>(5,873)</b>	<b>(4,380)</b>	<b>(4,427)</b>	<b>(13,619)</b>	<b>(13,619)</b>	<b>(13,619)</b>	<b>-</b>	<b>111</b>	<b>183</b>	<b>243</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(5,873)</b>	<b>(4,380)</b>	<b>(4,427)</b>	<b>(13,619)</b>	<b>(13,619)</b>	<b>(13,619)</b>	<b>-</b>	<b>111</b>	<b>183</b>	<b>243</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>(5,873)</b>	<b>(4,380)</b>	<b>(4,427)</b>	<b>(13,619)</b>	<b>(13,619)</b>	<b>(13,619)</b>	<b>-</b>	<b>111</b>	<b>183</b>	<b>243</b>

NC066 Karoo Hoogland - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>											
<b>Governance and administration</b>			35,513	29,419	27,360	14,104	14,104	14,104	12,693	13,285	13,980
Executive and council			4,371	5,519	4,916	10,640	10,640	10,640	1,528	1,618	1,671
Budget and treasury office			27,276	23,893	22,449	3,463	3,463	3,463	3,357	3,426	3,634
Corporate services			3,865	7	(5)	1	1	1	7,808	8,241	8,675
<b>Community and public safety</b>			621	633	626	1,188	1,188	1,188	2,010	2,128	2,247
Community and social services			599	612	607	1,164	1,164	1,164	1,982	2,098	2,216
Sport and recreation			22	21	20	24	24	24	28	30	31
Public safety			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>			0	1	-	-	-	-	1,011	11	12
Planning and development			0	1	-	-	-	-	-	-	-
Road transport			-	-	-	-	-	-	1,011	11	12
Environmental protection			-	-	-	-	-	-	-	-	-
<b>Trading services</b>			17,497	19,879	21,002	24,176	24,176	24,176	32,232	33,862	35,490
Electricity			7,468	8,341	8,847	10,679	10,679	10,679	12,230	12,686	13,344
Water			3,790	4,415	4,743	5,500	5,500	5,500	6,289	6,803	7,116
Waste water management			6,240	7,122	7,411	7,997	7,997	7,997	7,159	7,505	7,851
Waste management			-	-	-	-	-	-	6,554	6,867	7,179
<b>Other</b>	4		-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2		53,632	49,931	48,989	39,468	39,468	39,468	47,945	49,286	51,729
<b>Expenditure - Standard</b>											
<b>Governance and administration</b>			30,650	24,428	22,240	20,801	20,801	20,801	18,635	19,234	19,984
Executive and council			5,268	4,601	4,375	5,132	5,132	5,132	8,280	8,266	8,719
Budget and treasury office			25,310	19,795	13,452	10,315	10,315	10,315	9,307	9,856	10,092
Corporate services			72	31	4,413	5,354	5,354	5,354	1,049	1,111	1,173
<b>Community and public safety</b>			2,583	1,975	2,257	2,199	2,199	2,199	2,957	3,132	3,307
Community and social services			1,248	479	838	1,309	1,309	1,309	2,027	2,148	2,270
Sport and recreation			1,317	1,485	1,376	860	860	860	930	983	1,037
Public safety			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Health			17	10	44	30	30	30	-	-	-
<b>Economic and environmental services</b>			12,563	12,834	12,430	11,717	11,717	11,717	2,839	1,998	2,109
Planning and development			138	114	152	75	75	75	-	-	-
Road transport			12,425	12,721	12,278	11,642	11,642	11,642	2,839	1,998	2,109
Environmental protection			-	-	-	-	-	-	-	-	-
<b>Trading services</b>			13,709	15,075	16,489	18,370	18,370	18,370	23,402	24,739	26,086
Electricity			6,844	6,839	8,132	9,296	9,296	9,296	11,802	12,454	13,111
Water			2,694	3,754	4,060	3,620	3,620	3,620	3,331	3,529	3,727
Waste water management			4,171	4,482	4,298	5,454	5,454	5,454	4,832	5,117	5,404
Waste management			-	-	-	-	-	-	3,437	3,640	3,844
<b>Other</b>	4		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3		59,505	54,311	53,416	53,087	53,087	53,087	47,834	49,103	51,486
<b>Surplus/(Deficit) for the year</b>			(5,873)	(4,380)	(4,427)	(13,619)	(13,619)	(13,619)	111	183	243

The budgeted allocation for employee related costs for the 2015/ 2016 financial year totals R 17.3 million, which equals 36 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 4.4 per cent for the 2015 / 2016 financial year. An annual increase of 6.15 and 5.85 per cent has been included in the two outer years of the MTREF as per Circular 75.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has not yet been taken into account in compiling the KHM's budget.



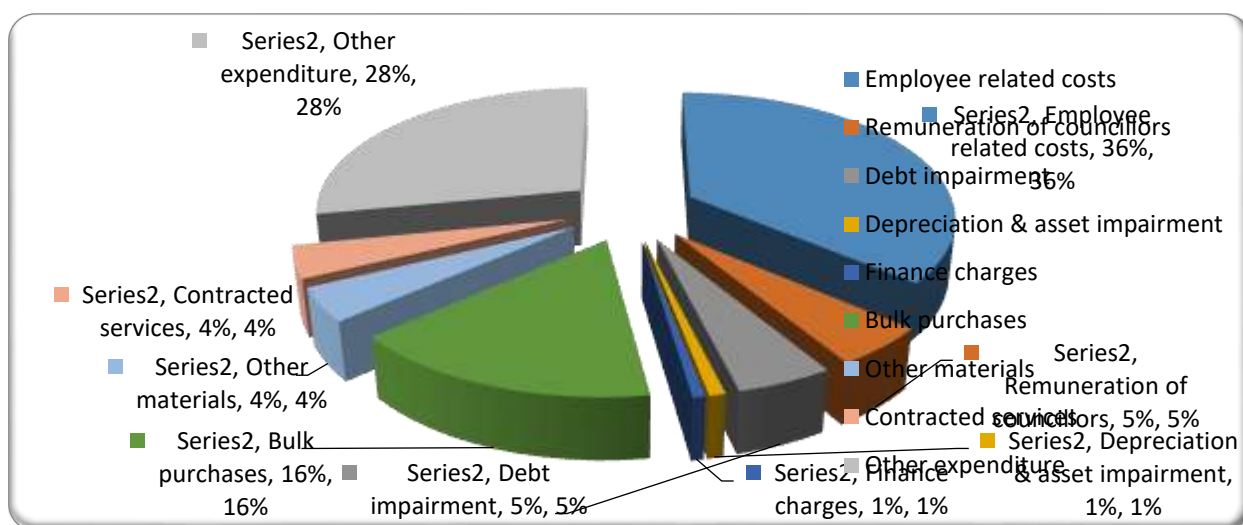
The provision of debt impairment was determined based on an annual collection rate of 83 per cent and the Debt Write-off Policy of the KHM. For the 2015 / 2016 financial year this amount equates to R2.3 million and escalates to R2.6 million by 2017/18. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard should have been a total of R19,12 million for the 2015 / 2016 financial year. It can however not be cash backed and therefore R 400 000 was budgeted. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases of 14.24% have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 6 per cent for 2015 / 2016 and curbed at 5.9 and 5.6 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table 64 MBRR SA1 (see page 100).

The following graph gives a breakdown of the main expenditure categories for the 2015 / 2016 financial year.



**FIGURE 1 MAIN OPERATIONAL EXPENDITURE CATEGORIES FOR THE 2015 / 2016 FINANCIAL YEAR**

## PRIORITY GIVEN TO REPAIRS AND MAINTENANCE

Aligned to the priority being given to preserving and maintaining the KHM's current infrastructure, the 2015 / 2016 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the KHM. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

For the 2015 / 2016 financial year, only R2 m will be spent on maintenance of infrastructure assets. This is still considered to be insufficient to maintain the assets adequately.

### **FREE BASIC SERVICES: BASIC SOCIAL SERVICE PACKAGE**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the KHM's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 38.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

### **CAPITAL EXPENDITURE**

Due to financial constraints, it was not possible to provide funding for capital projects from our own sources. Only two projects could be included which are funded from National Grants.:

<b>Fraserburg Storm Water</b>	<b>R 3 800 000</b>
<b>Streets All towns</b>	<b>R 4 205 000</b>

### **ANNUAL BUDGET TABLES - PARENT MUNICIPALITY**

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015 / 2016 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

#### **Table 2 MBRR Table A1 - Budget Summary**

NC066 Karoo Hoogland - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<u><b>Property rates</b></u>	6										
Total Property Rates		3,643	4,181	4,499	4,862	4,862	4,862		8,550	9,054	9,561
less Revenue Foregone									2,600	2,753	2,908
<b>Net Property Rates</b>		3,643	4,181	4,499	4,862	4,862	4,862	-	5,950	6,301	6,654
<u><b>Service charges - electricity revenue</b></u>	6										
Total Service charges - electricity revenue		6,020	6,657	7,000	8,669	8,669	8,669		9,250	9,796	10,344
less Revenue Foregone											
<b>Net Service charges - electricity revenue</b>		6,020	6,657	7,000	8,669	8,669	8,669	-	9,250	9,796	10,344
<u><b>Service charges - water revenue</b></u>	6										
Total Service charges - water revenue		1,467	1,898	2,022	2,700	2,700	2,700		2,900	3,071	3,243
less Revenue Foregone											
<b>Net Service charges - water revenue</b>		1,467	1,898	2,022	2,700	2,700	2,700	-	2,900	3,071	3,243
<u><b>Service charges - sanitation revenue</b></u>	6										
Total Service charges - sanitation revenue		2,557	3,126	3,089	3,493	3,493	3,493		3,308	3,503	3,699
less Revenue Foregone											
<b>Net Service charges - sanitation revenue</b>		2,557	3,126	3,089	3,493	3,493	3,493	-	3,308	3,503	3,699
<u><b>Service charges - refuse revenue</b></u>	6										
Total refuse removal revenue									2,780	2,944	3,109
Total landfill revenue											
less Revenue Foregone											
<b>Net Service charges - refuse revenue</b>		-	-	-	-	-	-	-	2,780	2,944	3,109
<u><b>Other Revenue by source</b></u>	3										
List other revenue by source		174	687	277	2,341	2,341	2,341				
LG Seta									150	159	168
Other									445	471	497
<b>Total 'Other' Revenue</b>	1	174	687	277	2,341	2,341	2,341	-	595	630	665

## Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the KHM's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
4. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
5. Capital expenditure is balanced by capital funding sources, of which

- a. Transfers recognised is reflected on the Financial Performance Budget;
  - b. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
  - c. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
6. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2015/16, when a small surplus is reflected.
7. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase.

**TABLE BELOW MBRR TABLE A2 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY STANDARD CLASSIFICATION)****NC066 Karoo Hoogland - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		35,513	29,419	27,360	14,104	14,104	14,104	12,693	13,285	13,980
Executive and council		4,371	5,519	4,916	10,640	10,640	10,640	1,528	1,618	1,671
Budget and treasury office		27,276	23,893	22,449	3,463	3,463	3,463	3,357	3,426	3,634
Corporate services		3,865	7	(5)	1	1	1	7,808	8,241	8,675
<i>Community and public safety</i>		621	633	626	1,188	1,188	1,188	2,010	2,128	2,247
Community and social services		599	612	607	1,164	1,164	1,164	1,982	2,098	2,216
Sport and recreation		22	21	20	24	24	24	28	30	31
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		0	1	-	-	-	-	1,011	11	12
Planning and development		0	1	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	1,011	11	12
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		17,497	19,879	21,002	24,176	24,176	24,176	32,232	33,862	35,490
Electricity		7,468	8,341	8,847	10,679	10,679	10,679	12,230	12,686	13,344
Water		3,790	4,415	4,743	5,500	5,500	5,500	6,289	6,803	7,116
Waste water management		6,240	7,122	7,411	7,997	7,997	7,997	7,159	7,505	7,851
Waste management		-	-	-	-	-	-	6,554	6,867	7,179
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	53,632	49,931	48,989	39,468	39,468	39,468	47,945	49,286	51,729
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		30,650	24,428	22,240	20,801	20,801	20,801	18,635	19,234	19,984
Executive and council		5,268	4,601	4,375	5,132	5,132	5,132	8,280	8,266	8,719
Budget and treasury office		25,310	19,795	13,452	10,315	10,315	10,315	9,307	9,856	10,092
Corporate services		72	31	4,413	5,354	5,354	5,354	1,049	1,111	1,173
<i>Community and public safety</i>		2,583	1,975	2,257	2,199	2,199	2,199	2,957	3,132	3,307
Community and social services		1,248	479	838	1,309	1,309	1,309	2,027	2,148	2,270
Sport and recreation		1,317	1,485	1,376	860	860	860	930	983	1,037
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		17	10	44	30	30	30	-	-	-
<i>Economic and environmental services</i>		12,563	12,834	12,430	11,717	11,717	11,717	2,839	1,998	2,109
Planning and development		138	114	152	75	75	75	-	-	-
Road transport		12,425	12,721	12,278	11,642	11,642	11,642	2,839	1,998	2,109
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		13,709	15,075	16,489	18,370	18,370	18,370	23,402	24,739	26,086
Electricity		6,844	6,839	8,132	9,296	9,296	9,296	11,802	12,454	13,111
Water		2,694	3,754	4,060	3,620	3,620	3,620	3,331	3,529	3,727
Waste water management		4,171	4,482	4,298	5,454	5,454	5,454	4,832	5,117	5,404
Waste management		-	-	-	-	-	-	3,437	3,640	3,844
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	59,505	54,311	53,416	53,087	53,087	53,087	47,834	49,103	51,486
<b>Surplus/(Deficit) for the year</b>		(5,873)	(4,380)	(4,427)	(13,619)	(13,619)	(13,619)	111	183	243

NC066 Karoo Hoogland - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand												
ASSETS												
Call investment deposits	2											
Call deposits < 90 days		355	367					(622)	-	-	-	
Other current investments > 90 days									-	-	-	
Total Call investment deposits	2	355	367	-	-	-	-	(622)	-	-	-	
Consumer debtors	2											
Consumer debtors		4,015	6,918	1,670	5,245	5,245	5,245	122	20,088	21,273	22,465	
Less: Provision for debt impairment									(12,480)	(13,216)	(13,957)	
Total Consumer debtors	2	4,015	6,918	1,670	5,245	5,245	5,245	122	7,608	8,057	8,508	
Debt impairment provision												
Balance at the beginning of the year									(10,140)	(12,480)	(14,958)	
Contributions to the provision									(2,340)	(2,478)	(2,617)	
Bad debts written off									-	-	-	
Balance at end of year		-	-	-	-	-	-	-	(12,480)	(14,958)	(17,575)	
Property, plant and equipment (PPE)	3											
PPE at cost/valuation (excl. finance leases)		163,710	159,827	158,622	148,037	148,037	148,037	5	167,522	177,405	187,340	
Leases recognised as PPE												
Less: Accumulated depreciation	2											
Total Property, plant and equipment (PPE)	2	163,710	159,827	158,622	148,037	148,037	148,037	5	167,522	177,405	187,340	
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)												
Current portion of long-term liabilities		68	68	83	142	142	142		305	305	305	
Total Current liabilities - Borrowing		68	68	83	142	142	142	-	305	305	305	
Trade and other payables	2											
Trade and other creditors		10,789	11,217	7,785	5,238	5,238	5,238	1,453	7,407	7,844	8,284	
Unspent conditional transfers												
VAT												
Total Trade and other payables	2	10,789	11,217	7,785	5,238	5,238	5,238	1,453	7,407	7,844	8,284	
Non current liabilities - Borrowing	4											
Borrowing		2,329	2,329	2,170	2,808	2,808	2,808		2,488	2,323	2,149	
Finance leases (including PPP asset element)												
Total Non current liabilities - Borrowing		2,329	2,329	2,170	2,808	2,808	2,808	-	2,488	2,323	2,149	
Provisions - non-current												
Retirement benefits												
List other major provision items												
Refuse landfill site rehabilitation												
Other		3,615	3,995	3,823	3,336	3,336	3,336		2,340	2,478	2,617	
Total Provisions - non-current		3,615	3,995	3,823	3,336	3,336	3,336	-	2,340	2,478	2,617	
CHANGES IN NET ASSETS												
Accumulated Surplus/(Deficit)	1											
Accumulated Surplus/(Deficit) - opening balance												
GRAP adjustments												
Restated balance		-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)		(5,873)	(4,380)	(4,427)	(13,619)	(13,619)	(13,619)	-	111	183	243	
Appropriations to Reserves												
Transfers from Reserves												
Depreciation offsets												
Other adjustments												
Accumulated Surplus/(Deficit)		1	(5,873)	(4,380)	(4,427)	(13,619)	(13,619)	(13,619)	-	111	183	243
Reserves		2										
Housing Development Fund												
Capital replacement												
Self-insurance												
Other reserves	171,874											
Revaluation												
Total Reserves	2	171,874	-	-	-	-	-	-	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	2	166,001	(4,380)	(4,427)	(13,619)	(13,619)	(13,619)	-	111	183	243	

Table 3 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

TABLE BELOW MBRR TABLE A4 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)

## NC066 Karoo Hoogland - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Karoo Hoogland - Supporting Table 3A: Reconciliation of IDP Strategic Objectives and Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Service Delivery	To enhance sustainable service delivery through infrastructure development			53,632	49,931	48,989	30,505	30,505	30,505	43,025	44,075	46,227
Local Economic Development	The successful implementation of the LED Strategy Address social challenges that hinder economic development											
Financial Viability	The development of a financial plan with strategies to ensure that Karoo Hoogland will be a financial viable entity						3,463	3,463	3,463	3,307	3,502	3,698
Municipal Transformation and Organizational Development	To establish proper administrative and institutional infrastructure to properly regulate the implementation of the IDP						5,500	5,500	5,500	1,578	1,671	1,765
Good Governance	To actively involve the public in local government To monitor and evaluate the performance of council in terms of its PMS  Community Participation									35	37	39
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	53,632	49,931	48,989	39,468	39,468	39,468	47,945	49,286	51,729

TABLE BELOW MBRR TABLE A5 - BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING SOURCE

<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		204	38	12	-	-	-	-	-	-	
Executive and council		204	38	12							
Budget and treasury office		-									
Corporate services											
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	
Community and social services											
Sport and recreation											
Public safety											
Housing											
Health											
<b>Economic and environmental services</b>		-	-	-	-	-	-	4,205	8,135	8,329	
Planning and development											
Road transport								4,205	8,135	8,329	
Environmental protection											
<b>Trading services</b>		14,907	10,996	10,267	10,490	10,490	10,490	-	3,800	-	
Electricity		-		3,328	1,000	1,000	1,000				
Water		14,722	10,996	4,978	600	600	600	3,800			
Waste water management		185		1,961	8,890	8,890	8,890				
Waste management											
<b>Other</b>											
<b>Total Capital Expenditure - Standard</b>	3	15,111	11,034	10,279	10,490	10,490	10,490	-	8,005	8,135	8,329
<b>Funded by:</b>											
National Government		15,111	11,034	10,267	10,490	10,490	10,490		8,005	8,135	8,329
Provincial Government											
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	4	15,111	11,034	10,267	10,490	10,490	10,490	-	8,005	8,135	8,329
<b>Public contributions &amp; donations</b>	5										
<b>Borrowing</b>	6										
<b>Internally generated funds</b>				12							
<b>Total Capital Funding</b>	7	15,111	11,034	10,279	10,490	10,490	10,490	-	8,005	8,135	8,329



TABLE BELOW MBRR TABLE A6 - BUDGETED FINANCIAL POSITION

NC066 Karoo Hoogland - Table A6 Budgeted Financial Position

Roose-Karlee Hoeghland - Table A: Budgeted Financial Position											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		1,935	356	3,131					2,780	2,944	3,109
Call investment deposits	1	355	367	–	–	–	–	(622)	–	–	–
Consumer debtors	1	4,015	6,918	1,670	5,245	5,245	5,245	122	7,608	8,057	8,508
Other debtors		724	416	416				(443)			
Current portion of long-term receivables		3	3								
Inventory	2	11	16	22					24	26	27
<b>Total current assets</b>		<b>7,042</b>	<b>8,076</b>	<b>5,238</b>	<b>5,245</b>	<b>5,245</b>	<b>5,245</b>	<b>(942)</b>	<b>10,412</b>	<b>11,027</b>	<b>11,644</b>
<b>Non current assets</b>											
Long-term receivables		1,154						273			
Investments		–									
Investment property		18,122	18,086	18,050					18,050	18,050	18,050
Investment in Associate											
Property, plant and equipment	3	163,710	159,827	158,622	148,037	148,037	148,037	5	167,522	177,405	187,340
Agricultural											
Biological											
Intangible		873	794	714					757	801	846
Other non-current assets			1,154	5,508							
<b>Total non current assets</b>		<b>183,859</b>	<b>179,860</b>	<b>182,893</b>	<b>148,037</b>	<b>148,037</b>	<b>148,037</b>	<b>279</b>	<b>186,328</b>	<b>196,257</b>	<b>206,236</b>
<b>TOTAL ASSETS</b>		<b>190,901</b>	<b>187,936</b>	<b>188,132</b>	<b>153,282</b>	<b>153,282</b>	<b>153,282</b>	<b>(664)</b>	<b>196,741</b>	<b>207,283</b>	<b>217,880</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1								–	–	–
Borrowing	4	68	68	83	142	142	142	–	305	305	305
Consumer deposits		429	299	285				0	295	295	295
Trade and other payables	4	10,789	11,217	7,785	5,238	5,238	5,238	1,453	7,407	7,844	8,284
Provisions		1,798	2,103	1,885					2,340	2,478	2,617
<b>Total current liabilities</b>		<b>13,083</b>	<b>13,686</b>	<b>10,038</b>	<b>5,380</b>	<b>5,380</b>	<b>5,380</b>	<b>1,454</b>	<b>10,347</b>	<b>10,923</b>	<b>11,501</b>
<b>Non current liabilities</b>											
Borrowing		2,329	2,329	2,170	2,808	2,808	2,808	–	2,488	2,323	2,149
Provisions		3,615	3,995	3,823	3,336	3,336	3,336	–	2,340	2,478	2,617
<b>Total non current liabilities</b>		<b>5,944</b>	<b>6,324</b>	<b>5,993</b>	<b>6,144</b>	<b>6,144</b>	<b>6,144</b>	<b>–</b>	<b>4,828</b>	<b>4,801</b>	<b>4,766</b>
<b>TOTAL LIABILITIES</b>		<b>19,027</b>	<b>20,010</b>	<b>16,031</b>	<b>11,524</b>	<b>11,524</b>	<b>11,524</b>	<b>1,454</b>	<b>15,175</b>	<b>15,723</b>	<b>16,267</b>
<b>NET ASSETS</b>	5	<b>171,874</b>	<b>167,926</b>	<b>172,101</b>	<b>141,758</b>	<b>141,758</b>	<b>141,758</b>	<b>(2,117)</b>	<b>181,565</b>	<b>191,560</b>	<b>201,614</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)			167,926	172,101	141,758	141,758	141,758	(2,117)	181,565	191,560	201,614
Reserves	4	171,874	–	–	–	–	–	–	–	–	–
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>171,874</b>	<b>167,926</b>	<b>172,101</b>	<b>141,758</b>	<b>141,758</b>	<b>141,758</b>	<b>(2,117)</b>	<b>181,565</b>	<b>191,560</b>	<b>201,614</b>

TABLE BELOW MBRR TABLE A7 - BUDGETED CASH FLOW STATEMENT

NCO66 Karoo Hoogland - Table A7 Budgeted Cash Flows

Roose Katoe Regional - Table A1 Budgeted Cash Flows											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		12,228	14,932	18,455	30,635	30,635	30,635	13,476	5,950	6,301	6,654
Service charges									18,246	19,323	20,405
Other revenue									1,360	1,439	1,520
Government - operating	1	33,105	31,671	17,872	17,403	17,403	17,403	14,776	21,176	20,938	21,794
Government - capital	1			12,059	10,490	10,490	10,490	8,890	8,005	8,135	8,329
Interest		433	37	146				101	1,163	1,232	1,301
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(35,012)	(33,479)	(35,493)	(75,181)	(75,181)	(75,181)	(29,206)	(47,174)	(48,440)	(50,820)
Finance charges		(71)	(207)	(507)					(305)	(305)	(305)
Transfers and Grants	1			(625)				(29)	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>10,684</b>	<b>12,954</b>	<b>11,908</b>	<b>(16,653)</b>	<b>(16,653)</b>	<b>(16,653)</b>	<b>8,008</b>	<b>8,420</b>	<b>8,623</b>	<b>8,877</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE									50	-	-
Decrease (increase) in non-current debtors		676		941					-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets		(15,111)	(14,310)	(10,279)				(7,863)	(8,055)	(8,135)	(8,329)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(14,435)</b>	<b>(14,310)</b>	<b>(9,337)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,863)</b>	<b>(8,005)</b>	<b>(8,135)</b>	<b>(8,329)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		249	(130)	(14)					-	-	-
<b>Payments</b>											
Repayment of borrowing		(261)	(144)	(83)				(81)	(305)	(305)	(305)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(11)</b>	<b>(274)</b>	<b>(98)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(81)</b>	<b>(305)</b>	<b>(305)</b>	<b>(305)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(3,762)</b>	<b>(1,630)</b>	<b>2,473</b>	<b>(16,653)</b>	<b>(16,653)</b>	<b>(16,653)</b>	<b>63</b>	<b>110</b>	<b>183</b>	<b>243</b>
Cash/cash equivalents at the year begin:	2	<b>6,052</b>	<b>2,290</b>	<b>658</b>				<b>2,717</b>	<b>2,780</b>	<b>2,890</b>	<b>3,073</b>
Cash/cash equivalents at the year end:	2	<b>2,290</b>	<b>660</b>	<b>3,131</b>	<b>(16,653)</b>	<b>(16,653)</b>	<b>(16,653)</b>	<b>2,780</b>	<b>2,890</b>	<b>3,073</b>	<b>3,317</b>

TABLE BELOW MBRR TABLE A8 - CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION

NC066 Karoo Hoogland - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	2,290	660	3,131	(16,653)	(16,653)	(16,653)	2,780	2,890	3,073	3,317
Other current investments > 90 days		0	64	-	16,653	16,653	16,653	(3,402)	(110)	(129)	(208)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>2,290</b>	<b>723</b>	<b>3,131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(622)</b>	<b>2,780</b>	<b>2,944</b>	<b>3,109</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	6,103	5,210	5,724	(2,044)	(2,044)	(2,044)	1,453	71	75	80
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5								400	424	447
<b>Total Application of cash and investments:</b>		<b>6,103</b>	<b>5,210</b>	<b>5,724</b>	<b>(2,044)</b>	<b>(2,044)</b>	<b>(2,044)</b>	<b>1,453</b>	<b>471</b>	<b>499</b>	<b>527</b>
<b>Surplus(shortfall)</b>		<b>(3,813)</b>	<b>(4,487)</b>	<b>(2,592)</b>	<b>2,044</b>	<b>2,044</b>	<b>2,044</b>	<b>(2,075)</b>	<b>2,309</b>	<b>2,445</b>	<b>2,582</b>

Table 4 MBRR Table A10 - Basic Service Delivery Measurement

NC066 Karoo Hoogland - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		1,532			1,742	1,742	1,742	1,855	1,855	1,855
Piped water inside yard (but not in dwelling)		452			452	452	452	452	452	452
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		1,984	–	–	2,194	2,194	2,194	2,307	2,307	2,307
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	1,984	–	–	2,194	2,194	2,194	2,307	2,307	2,307
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		299			299	299	299	686	686	686
Flush toilet (with septic tank)		792			1,002	1,002	1,002	791	791	791
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		1,091	–	–	1,301	1,301	1,301	1,477	1,477	1,477
Bucket toilet										
Other toilet provisions (< min.service level)		893			893	893	893	830	830	830
No toilet provisions										
Below Minimum Service Level sub-total		893	–	–	893	893	893	830	830	830
<b>Total number of households</b>	5	1,984	–	–	2,194	2,194	2,194	2,307	2,307	2,307
<b>Energy:</b>										
Electricity (at least min.service level)								180	180	180
Electricity - prepaid (min.service level)		840			1,052	1,052	1,052	1,155	1,155	1,155
Minimum Service Level and Above sub-total		840	–	–	1,052	1,052	1,052	1,335	1,335	1,335
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	840	–	–	1,052	1,052	1,052	1,335	1,335	1,335
<b>Refuse:</b>										
Removed at least once a week		1,984			2,194	2,194	2,194	2,307	2,307	2,307
Minimum Service Level and Above sub-total		1,984	–	–	2,194	2,194	2,194	2,307	2,307	2,307
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	1,984	–	–	2,194	2,194	2,194	2,307	2,307	2,307
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)					1,289	1,289	1,289	1,050	1,050	1,050
Sanitation (free minimum level service)					995	995	995	1,050	1,050	1,050
Electricity/other energy (50kwh per household per month)					995	995	995	410	410	410
Refuse (removed at least once a week)					995	995	995	1,050	1,050	1,050
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)					1,555	1,555	1,555	1,135	1,202	1,269
Sanitation (free sanitation service)					1,269	1,269	1,269	1,240	1,313	1,387
Electricity/other energy (50kwh per household per month)					566	566	566	860	911	962
Refuse (removed once a week)					2,282	2,282	2,282	1,210	1,281	1,353
<b>Total cost of FBS provided (minimum social package)</b>		–	–	–	5,672	5,672	5,672	4,445	4,707	4,971
<b>Highest level of free service provided</b>										
Property rates (R value threshold)					15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)					6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)					81	81	81	103	103	103
Electricity (kwh per household per month)					50	50	50	50	50	50
Refuse (average litres per week)					1	1	1	1	1	1
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)					142	142	142	460	487	514
Property rates (other exemptions, reductions and rebates)					45	45	45	45	47	50
Water					1,555	1,555	1,555	1,135	1,202	1,269
Sanitation					1,269	1,269	1,269	1,240	1,313	1,387
Electricity/other energy					566	566	566	860	911	962
Refuse					2,282	2,282	2,282	1,210	1,281	1,353
Municipal Housing - rental rebates					18	18	18	19	20	21
Housing - top structure subsidies										
Other					1,083	1,083	1,083	1,148	1,216	1,284
<b>Total revenue cost of free services provided (total social package)</b>	6	–	–	–	6,960	6,960	6,960	6,117	6,478	6,841

## Part 2 – Supporting Documentation

### OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the KHM's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

### BUDGET PROCESS OVERVIEW

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

- The Mayor tabled in Council the required the IDP and budget time schedule in August 2014. Key dates applicable to the process were:
- **January 2015** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2015** – Council to consider 2014/15 Mid-year Review;
- **February 2015**- Council to consider Adjustments Budget if necessary;
- **27 March 2014** - Tabling in Council of the draft 2015 / 2016 IDP and 2015 / 2016 MTREF for public consultation;
- **April 2015** – Public consultation;
- **May 2015** - Closing date for written comments;
- **6 to 21 May 2015** – finalization of the 2015 / 2016 IDP and 2015 / 2016 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and

- **24 May 2015** - Tabling of the 2015 / 2016 MTREF before Council for consideration and approval.

There were deviations from the key dates set out in the Budget Time Schedule tabled in Council since January 2015

## **FINANCIAL MODELING AND KEY PLANNING DRIVERS**

As part of the compilation of the 2015 / 2016 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015 / 2016 MTREF:

- KHM growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/15 budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritisation process.

## **OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP**

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

Provision of quality basic services and infrastructure which includes, amongst others:

- Provide electricity;
- Provide water;
- Provide sanitation;
- Provide waste removal;
- Provide housing;
- Provide roads and storm water;
- Provide public transport;
- Provide KHM planning services; and
- Maintaining the infrastructure of the KHM.

Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the KHM;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective KHM cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated with the informal settlements upgrade programme

Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimising effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

Optimal institutional transformation to ensure KHM to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

**TABLE BELOW MBRR TABLE SA4 - RECONCILIATION BETWEEN THE IDP STRATEGIC OBJECTIVES AND BUDGETED REVENUE**

NC066 Karoo Hoogland - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Karoo Hoogland													
Supporting Table 3A Reconciliation of IDP Strategic Objectives and Budget (Revenue)													
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
Service Delivery	To enhance sustainable service delivery through infrastructure development			53,632	49,931	48,989	30,505	30,505	30,505	43,025	44,075	46,227	
Local Economic Development	The successful implementation of the LED Strategy Address social challenges that hinder economic development												
Financial Viability	The development of a financial plan with strategies to ensure that Karoo Hoogland will be a financial viable entity						3,463	3,463	3,463	3,307	3,502	3,698	
Municipal Transformation and Organizational Development	To establish proper administrative and institutional infrastructure to properly regulate the implementation of the IDP						5,500	5,500	5,500	1,578	1,671	1,765	
Good Governance	To actively involve the public in local government To monitor and evaluate the performance of council in terms of its PMS  Community Participation									35	37	39	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	53,632	49,931	48,989	39,468	39,468	39,468	47,945	49,286	51,729

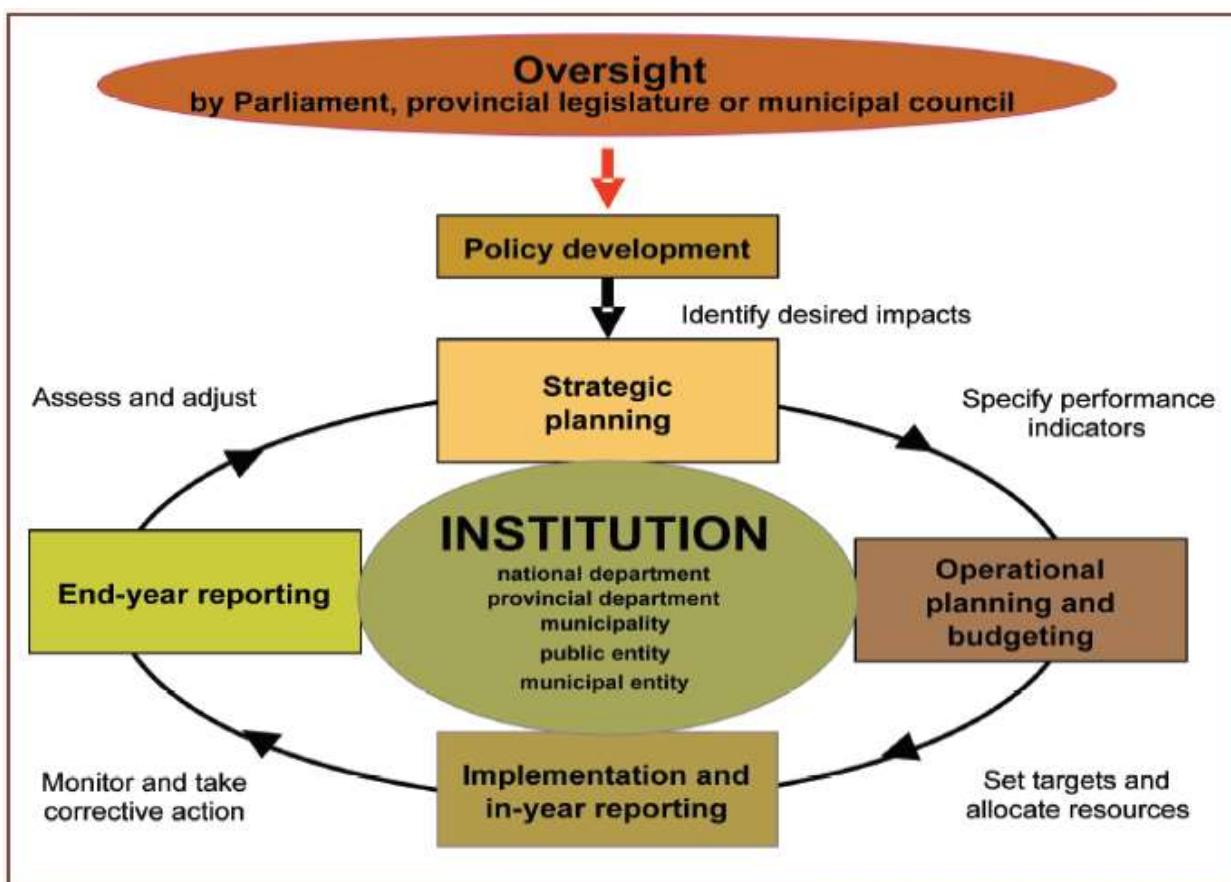
**TABLE 5 MBRR TABLE SA5 - RECONCILIATION BETWEEN THE IDP STRATEGIC OBJECTIVES AND BUDGETED OPERATING EXPENDITURE**

## MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the KHM has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.



At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



**FIGURE 2 PLANNING, BUDGETING AND REPORTING CYCLE**

The performance of the KHM relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The KHM therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the KHM in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

**FIGURE 3 DEFINITION OF PERFORMANCE INFORMATION CONCEPTS**

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

**TABLE 6 MBRR TABLE SA7 - MEASURABLE PERFORMANCE OBJECTIVES**

NC066 Karoo Hoogland - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Vote 1 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
<b>Vote 2 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
<b>Vote 3 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
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Function 2 - (name)										
Sub-function 1 - (name)										
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Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

The following table sets out the municipalities main performance objectives and benchmarks for the 2014 / 2015 MTREF.

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

**NC066 Karoo Hoogland - Supporting Table SA8 Performance indicators and benchmarks**

		2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.4%	1.5%	1.1%	0.0%	0.0%	0.0%	0.0%	1.3%	1.2%	1.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.2%	4.5%	3.1%	0.0%	0.0%	0.0%	0.0%	2.3%	2.2%	2.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	0.5	0.6	0.5	1.0	1.0	1.0	(0.6)	1.0	1.0	1.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.5	0.6	0.5	1.0	1.0	1.0	(0.6)	1.0	1.0	1.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.1	0.3	–	–	–	(0.4)	0.3	0.3	0.3
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		83.9%	81.9%	103.9%	138.8%	138.8%	138.8%	0.0%	96.4%	96.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		79.5%	81.9%	98.8%	138.8%	138.8%	138.8%	0.0%	96.4%	96.4%	96.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.0%	14.7%	5.6%	13.3%	13.3%	13.3%	0.0%	15.9%	16.3%	16.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		471.2%	1700.3%	248.6%	-31.5%	-31.5%	-31.5%	52.3%	256.3%	255.2%	249.8%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)								411	435	459
	Total Cost of Losses (Rand '000)								616	652	689
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)								32	34	36
	Total Cost of Losses (Rand '000)								170	180	190
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	33.0%	37.2%	46.6%	46.0%	46.0%	46.0%	0.0%	36.2%	37.4%	37.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	65.9%	55.4%	55.4%	55.4%		41.2%	41.6%	42.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.0%	4.4%	2.6%	3.0%	3.0%	3.0%		4.2%	3.8%	3.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	27.3%	31.5%	43.2%	37.1%	37.1%	37.1%	0.0%	1.5%	1.5%	1.5%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	85.7	79.6	–	–	–	–	–	17.4	17.7	18.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	32.3%	43.6%	11.9%	26.6%	26.6%	26.6%	0.0%	30.8%	30.8%	30.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.9	0.3	1.2	(6.0)	(6.0)	(6.0)	(411.6)	0.9	0.9	1.0

**TABLE 7 MBRR TABLE SA8 - PERFORMANCE INDICATORS AND BENCHMARKS**

**PERFORMANCE INDICATORS AND BENCHMARKS**

## Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Karoo Hoogland Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the KHM's debt portfolio is dominated by annuity loans.

### Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

### Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the KHM has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2014 / 2015 MTREF the current ratio is 1.0 in the 2015/16 financial year and for the two outer years of the MTREF it is 1.0. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2014/15 financial year the ratio was 0.4 and as part of the financial planning strategy it has been increased to 0.3 in the 2015/16 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the KHM. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

## Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

## Creditors Management

- The KHM has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the KHM, which is expected to benefit the KHM in the form of more competitive pricing of tenders, as suppliers compete for the KHM's business.

### **Other Indicators**

- The electricity distribution losses remain at more than 9%, this is mainly due to the outdated infrastructure in Fraserburg.
- The water distribution losses cannot be calculated due to the shortage in bulk meters. This needs to be addressed urgently.
- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers. The percentage however is considered to be out of bounds.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the KHM's strategy to ensure the management of its asset base.

### **FREE BASIC SERVICES: BASIC SOCIAL SERVICES PACKAGE FOR INDIGENT HOUSEHOLDS**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the KHM. With the exception of water, only registered indigents qualify for the free basic services.

For the 2015/16 financial year 1050 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, 50 kwh of electricity, and free refuse, sanitation and discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement)

### **PROVIDING CLEAN WATER AND MANAGING WASTE WATER**

The KHM is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. All water is generated from the KHM's own water sources, such as boreholes and small dams.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

## **OVERVIEW OF BUDGET RELATED-POLICIES**

The KHM's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

## **REVIEW OF CREDIT CONTROL AND DEBT COLLECTION PROCEDURES/POLICIES**

The Collection Policy as approved by Council in October 2008 and is reviewed annually. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, it is essential that projects implemented should create work.

The 2015 / 2016 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 82 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the KHM's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy. Currently the collection rate is only 80%.

## **ASSET MANAGEMENT, INFRASTRUCTURE INVESTMENT AND FUNDING POLICY**

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the KHM's revenue base.

## **BUDGET ADJUSTMENT POLICY**



The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the KHM continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions. Unfortunately both these processes were derailed in the current year.

## **SUPPLY CHAIN MANAGEMENT POLICY**

The Supply Chain Management Policy was adopted by Council in September 2010. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

## **BUDGET AND VIREMENT POLICY**

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the KHM's system of delegations.

## **CASH MANAGEMENT AND INVESTMENT POLICY**

The KHM's Cash Management and Investment Policy were amended by Council in January 2009. The aim of the policy is to ensure that the KHM's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

## **TARIFF POLICIES**

The KHM's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

## **FINANCIAL MODELLING AND SCENARIO PLANNING POLICY**

The Financial Modelling and Scenario Planning Policy has directly informed the compilation of the 2015 / 2016 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has to be modelled as part of the financial modelling and scenario planning process:

- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

All the above policies are available on the KHM's website, as well as the following budget related policies:

- Property Rates Policy;
- Borrowing Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

## **OVERVIEW OF BUDGET ASSUMPTIONS**

### **EXTERNAL FACTORS**

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the KHM's finances.

### **GENERAL INFLATION OUTLOOK AND ITS IMPACT ON THE MUNICIPAL ACTIVITIES**

There are five key factors that have been taken into consideration in the compilation of the 2015 / 2016 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on KHM's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 36 percent of total operating expenditure in the 2015 / 2016 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

### **INTEREST RATES FOR BORROWING AND INVESTMENT OF FUNDS**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. No borrowing is planned for the 2015 /16 year.

## **COLLECTION RATE FOR REVENUE SERVICES**

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (83 per cent) of annual billings. Cash flow is assumed to be 83 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored. In practice the collection rate only reach 83% currently.

Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the KHM, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

## **SALARY INCREASES**

A 4.4 % salary increase was negotiated nationally and Salga issued a press release on 3 March 2015

## **IMPACT OF NATIONAL, PROVINCIAL AND LOCAL POLICIES**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

## **ABILITY OF THE MUNICIPALITY TO SPEND AND DELIVER ON THE PROGRAMMES**

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2015 / 2016 MTREF of which performance has been factored into the cash flow budget.

## **OVERVIEW OF BUDGET FUNDING**

### **MEDIUM-TERM OUTLOOK: OPERATING REVENUE**

The following table is a breakdown of the operating revenue over the medium-term:

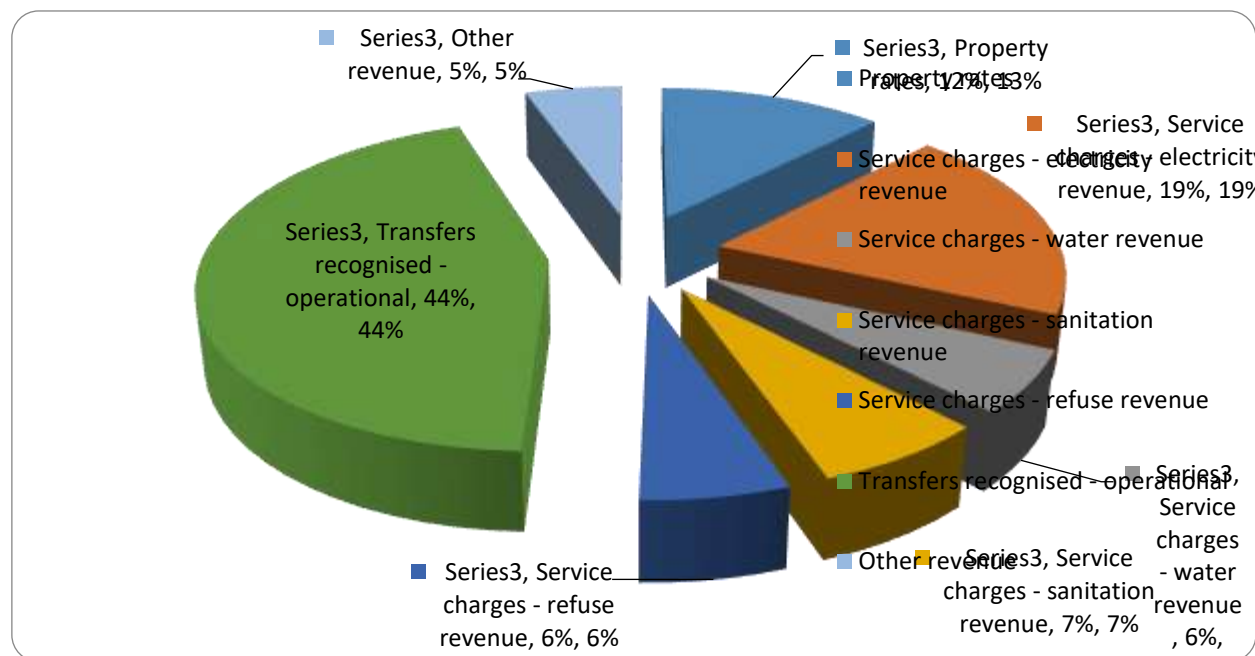
REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66

TABLE BELOW BREAKDOWN OF THE OPERATING REVENUE OVER THE MEDIUM-TERM

NC066 Karoo Hoogland - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
<b>REVENUE ITEMS:</b>											
<b><u>Property rates</u></b>	6										
Total Property Rates		3,643	4,181	4,499	4,862	4,862	4,862		8,550	9,054	9,561
less Revenue Foregone									2,600	2,753	2,908
<b>Net Property Rates</b>		3,643	4,181	4,499	4,862	4,862	4,862	-	5,950	6,301	6,654
<b><u>Service charges - electricity revenue</u></b>	6										
Total Service charges - electricity revenue		6,020	6,657	7,000	8,669	8,669	8,669		9,250	9,796	10,344
less Revenue Foregone											
<b>Net Service charges - electricity revenue</b>		6,020	6,657	7,000	8,669	8,669	8,669	-	9,250	9,796	10,344
<b><u>Service charges - water revenue</u></b>	6										
Total Service charges - water revenue		1,467	1,898	2,022	2,700	2,700	2,700		2,900	3,071	3,243
less Revenue Foregone											
<b>Net Service charges - water revenue</b>		1,467	1,898	2,022	2,700	2,700	2,700	-	2,900	3,071	3,243
<b><u>Service charges - sanitation revenue</u></b>	6										
Total Service charges - sanitation revenue		2,557	3,126	3,089	3,493	3,493	3,493		3,308	3,503	3,699
less Revenue Foregone											
<b>Net Service charges - sanitation revenue</b>		2,557	3,126	3,089	3,493	3,493	3,493	-	3,308	3,503	3,699
<b><u>Service charges - refuse revenue</u></b>	6										
Total refuse removal revenue									2,780	2,944	3,109
Total landfill revenue											
less Revenue Foregone											
<b>Net Service charges - refuse revenue</b>		-	-	-	-	-	-	-	2,780	2,944	3,109
<b><u>Other Revenue by source</u></b>	3										
List other revenue by source		174	687	277	2,341	2,341	2,341				
LG Seta									150	159	168
Other									445	471	497
<b>Total 'Other' Revenue</b>	1	174	687	277	2,341	2,341	2,341	-	595	630	665

The following graph is a breakdown of the operational revenue per main category for the 2015 / 2016 financial year.



**FIGURE 4 BREAKDOWN OF OPERATING REVENUE OVER THE 2015 / 2016 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The KHM derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the KHM and economic development;
- Revenue management and enhancement;
- Achievement of a 90 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2015 / 2016 MTREF on the different revenue categories are set out in

The tables below provide detail investment information and investment particulars by maturity.

## MEDIUM-TERM OUTLOOK: CAPITAL REVENUE

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme:

**TABLE BELOW SOURCES OF CAPITAL REVENUE OVER THE MTREF**

<b>Funded by:</b>											
National Government		15,111	11,034	10,267	10,490	10,490	10,490		8,005	8,135	8,329
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	15,111	11,034	10,267	10,490	10,490	10,490	-	8,005	8,135	8,329
Public contributions & donations	5										
Borrowing	6										
Internally generated funds				12							
Total Capital Funding	7	15,111	11,034	10,279	10,490	10,490	10,490	-	8,005	8,135	8,329

TABLE BELOW MBRR TABLE SA 17 - DETAIL OF BORROWINGS

## NC066 Karoo Hoogland - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)					2,961	2,961	2,961	2,488	2,323	2,149
Long-Term Loans (non-annuity)								-	-	-
Local registered stock								-	-	-
Instalment Credit								-	-	-
Financial Leases								-	-	-
PPP liabilities								-	-	-
Finance Granted By Cap Equipment Supplier								-	-	-
Marketable Bonds								-	-	-
Non-Marketable Bonds								-	-	-
Bankers Acceptances								-	-	-
Financial derivatives								-	-	-
Other Securities								-	-	-
<b>Municipality sub-total</b>	1	-	-	-	2,961	2,961	2,961	2,488	2,323	2,149



**TABLE 8 MBRR TABLE SA 18 - CAPITAL TRANSFERS AND GRANT RECEIPTS**

NC066 Karoo Hoogland - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		–	–	16,438	17,403	17,403	17,403	19,542	19,208	19,967
Local Government Equitable Share				13,898	14,669	14,669	14,669	15,812	16,426	17,034
Finance Management				1,650	1,800	1,800	1,800	1,800	1,825	1,900
Municipal Systems Improvement				890	934	934	934	930	957	1,033
EPWP Incentive								1,000	–	–
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		–	–	–	715	715	715	1,634	1,730	1,827
Library Grant					715	715	715	1,634	1,730	1,827
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	–	–	16,438	18,118	18,118	18,118	21,176	20,938	21,794
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		–	–	11,805	10,490	10,490	10,490	8,005	8,135	8,329
Municipal Infrastructure Grant (MIG)				10,805	8,890	8,890	8,890	8,005	8,135	8,329
Municipal Infrastructure Grant (MIG)				1,000	1,000	1,000	1,000			
Regional Bulk Infrastructure					600	600	600			
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	–	–	11,805	10,490	10,490	10,490	8,005	8,135	8,329
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		–	–	28,243	28,608	28,608	28,608	29,181	29,073	30,123

## CASH FLOW MANAGEMENT

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

Clear separation of receipts and payments within each cash flow category;

- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and

- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

TABLE BELOW MBRR TABLE A7 - BUDGET CASH FLOW STATEMENT

NC066 Karoo Hoogland - Table A7 Budgeted Cash Flows

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
	Property rates, penalties & collection charges		12,228	14,932	18,455	30,635	30,635	30,635	13,476	5,950	6,301	6,654
	Service charges									18,246	19,323	20,405
	Other revenue									1,360	1,439	1,520
	Government - operating	1	33,105	31,671	17,872	17,403	17,403	17,403	14,776	21,176	20,938	21,794
	Government - capital	1			12,059	10,490	10,490	10,490	8,890	8,005	8,135	8,329
	Interest		433	37	146				101	1,163	1,232	1,301
	Dividends									-	-	-
Payments												
	Suppliers and employees		(35,012)	(33,479)	(35,493)	(75,181)	(75,181)	(75,181)	(29,206)	(47,174)	(48,440)	(50,820)
	Finance charges		(71)	(207)	(507)					(305)	(305)	(305)
	Transfers and Grants	1			(625)				(29)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES			10,684	12,954	11,908	(16,653)	(16,653)	(16,653)	8,008	8,420	8,623	8,877
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
	Proceeds on disposal of PPE									50	-	-
	Decrease (increase) in non-current debtors		676		941					-	-	-
	Decrease (increase) other non-current receivables									-	-	-
	Decrease (increase) in non-current investments									-	-	-
Payments												
	Capital assets		(15,111)	(14,310)	(10,279)				(7,863)	(8,055)	(8,135)	(8,329)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(14,435)	(14,310)	(9,337)	-	-	-	(7,863)	(8,005)	(8,135)	(8,329)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
	Short term loans									-	-	-
	Borrowing long term/refinancing									-	-	-
	Increase (decrease) in consumer deposits		249	(130)	(14)					-	-	-
Payments												
	Repayment of borrowing		(261)	(144)	(83)				(81)	(305)	(305)	(305)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(11)	(274)	(98)	-	-	-	(81)	(305)	(305)	(305)
NET INCREASE/ (DECREASE) IN CASH HELD			(3,762)	(1,630)	2,473	(16,653)	(16,653)	(16,653)	63	110	183	243
	Cash/cash equivalents at the year begin:	2	6,052	2,290	658				2,717	2,780	2,890	3,073
	Cash/cash equivalents at the year end:	2	2,290	660	3,131	(16,653)	(16,653)	(16,653)	2,780	2,890	3,073	3,317

The above table shows that cash and cash equivalents of the KHM are largely depleted

#### CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?

#### What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section

18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**TABLE BELOW MBRR TABLE A8 - CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION**

NC066 Karoo Hoogland - Table A8 Cash backed reserves/accumulated surplus reconciliation

Rovana Railways Holdings - Table A6 Cash backed reserves/accumulated surplus recognition											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	2,290	660	3,131	(16,653)	(16,653)	(16,653)	2,780	2,890	3,073	3,317
Other current investments > 90 days		0	64	–	16,653	16,653	16,653	(3,402)	(110)	(129)	(208)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>2,290</b>	<b>723</b>	<b>3,131</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(622)</b>	<b>2,780</b>	<b>2,944</b>	<b>3,109</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	6,103	5,210	5,724	(2,044)	(2,044)	(2,044)	1,453	71	75	80
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5								400	424	447
<b>Total Application of cash and investments:</b>		<b>6,103</b>	<b>5,210</b>	<b>5,724</b>	<b>(2,044)</b>	<b>(2,044)</b>	<b>(2,044)</b>	<b>1,453</b>	<b>471</b>	<b>499</b>	<b>527</b>
<b>Surplus(shortfall)</b>		<b>(3,813)</b>	<b>(4,487)</b>	<b>(2,592)</b>	<b>2,044</b>	<b>2,044</b>	<b>2,044</b>	<b>(2,075)</b>	<b>2,309</b>	<b>2,445</b>	<b>2,582</b>

It can be concluded that the KHM has a deficit against the cash backed and accumulated surpluses reconciliation. The municipality has essentially depleted all cash reserves which is a serious concern and should be considered a strategic risk to the financial stability of the KHM. As part of the planning strategy, this deficit needs to be aggressively managed downwards and as part of the medium term planning objectives. It needs to be noted that for all practical purposes the 2015 / 2016 MTREF is funded when considering the funding requirements of section 18 and 19 of the MFMA. The 2015 / 2016 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. The challenge for the KHM will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

## FUNDING COMPLIANCE MEASUREMENT

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially

measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

**TABLE BELOW MBRR SA10 – FUNDING COMPLIANCE MEASUREMENT**

<b>Free Services</b>											
Free Basic Services as a % of Equitable Share		0.0%	0.0%	0.0%	38.7%	38.7%	38.7%		28.1%	28.7%	29.2%
Free Services as a % of Operating Revenue (excl operational transfers)		0.0%	0.0%	0.0%	31.5%	31.5%	31.5%		22.9%	22.9%	22.9%
<b>High Level Outcome of Funding Compliance</b>											
Total Operating Revenue		53,629	49,930	36,930	39,468	39,468	39,468	-	47,945	49,286	51,729
Total Operating Expenditure		59,505	54,311	53,416	53,087	53,087	53,087	-	47,834	49,103	51,486
Surplus/(Deficit) Budgeted Operating Statement		(5,876)	(4,381)	(16,486)	(13,619)	(13,619)	(13,619)	-	111	183	243
Surplus/(Deficit) Considering Reserves and Cash Backing		(3,813)	(4,487)	(2,592)	2,044	2,044	2,044	(2,075)	2,309	2,445	2,582
MTREF Funded (1) / Unfunded (0)	15	0	0	0	1	1	1	0	1	1	1
MTREF Funded ✓ / Unfunded ✗	15	✗	✗	✗	✓	✓	✓	✗	✓	✓	✓

## Cash/cash equivalent position

The KHM's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

## Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

## Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the KHM to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. .

**Surplus/deficit excluding depreciation offsets**

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

**Property Rates/service charge revenue as a percentage increase less macro inflation target**

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

**Cash receipts as a percentage of ratepayer and other revenue**

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 65, 65.3 and 65.6 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 83 per cent performance target, the cash flow statement has been overstated. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

**Debt impairment expense as a percentage of billable revenue**

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision is considered to be insufficient.

**Capital payments percentage of capital expenditure**

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to

keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

### **Transfers/grants revenue as a percentage of Government transfers/grants available**

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The KHM has budgeted for all transfers.

### **Consumer debtors change (Current and Non-current)**

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the KHM's policy of settling debtors accounts within 30 days.

### **Repairs and maintenance expenditure level**

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the KHM's strategy pertaining to asset management and repairs and maintenance is contained in Table 60 MBRR SA34C on page 90.

### **Asset renewal/rehabilitation expenditure level**

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b.

## EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

TABLE BELOW MBRR SA19 - EXPENDITURE ON TRANSFERS AND GRANT PROGRAMMES

NC066 Karoo Hoogland - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		-	-	16,438	17,403	17,403	17,403	19,542	19,208	19,967
Local Government Equitable Share				13,898	14,669	14,669	14,669	15,812	16,426	17,034
Finance Management				1,650	1,800	1,800	1,800	1,800	1,825	1,900
Municipal Systems Improvement				890	934	934	934	930	957	1,033
EPWP Incentive								1,000	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	715	715	715	1,634	1,730	1,827
Library Grant					715	715	715	1,634	1,730	1,827
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants</b>		-	-	16,438	18,118	18,118	18,118	21,176	20,938	21,794
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	-	11,805	10,490	10,490	10,490	8,005	8,135	8,329
Municipal Infrastructure Grant (MIG)				10,805	8,890	8,890	8,890	8,005	8,135	8,329
Municipal Infrastructure Grant (MIG)				1,000	1,000	1,000	1,000			
Regional Bulk Infrastructure					600	600	600			
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		-	-	11,805	10,490	10,490	10,490	8,005	8,135	8,329
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	-	28,243	28,608	28,608	28,608	29,181	29,073	30,123

TABLE BELOW MBRR SA 20 - RECONCILIATION BETWEEN OF TRANSFERS, GRANT RECEIPTS AND UNSPENT FUNDS

NC066 Karoo Hoogland - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		38,141	31,671	17,872	17,403	17,403	17,403	19,542	19,208	19,967
Conditions met - transferred to revenue		38,141	31,671	17,872	17,403	17,403	17,403	19,542	19,208	19,967
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts								1,634	1,730	1,827
Conditions met - transferred to revenue		-	-	-	-	-	-	1,634	1,730	1,827
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		38,141	31,671	17,872	17,403	17,403	17,403	21,176	20,938	21,794
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		15,111	11,034	10,267	10,490	10,490	10,490	8,005	8,135	8,329
Conditions met - transferred to revenue		15,111	11,034	10,267	10,490	10,490	10,490	8,005	8,135	8,329
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		15,111	11,034	10,267	10,490	10,490	10,490	8,005	8,135	8,329
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		53,252	42,705	28,139	27,893	27,893	27,893	29,181	29,073	30,123
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

## COUNCILLOR AND EMPLOYEE BENEFITS

TABLE BELOW MBRR SA22 - SUMMARY OF COUNCILLOR AND STAFF BENEFITS



**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

**NC066 Karoo Hoogland - Supporting Table SA22 Summary councillor and staff benefits**

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand		A	B	C	D	E	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>	1									
Basic Salaries and Wages				1,518	1,809	1,809	1,809	1,834	1,947	2,062
Pension and UIF Contributions				25	18	18	18			
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance								146	155	163
Housing Allowances										
Other benefits and allowances				337	146	146	146	414	-	-
<b>Sub Total - Councillors</b>		-	-	1,880	1,973	1,973	1,973	2,394	2,102	2,225
<b>% increase</b>	4		-	-	4.9%	-	-	21.3%	(12.2%)	5.9%
<b><u>Senior Managers of the Municipality</u></b>	2									
Basic Salaries and Wages				3,803	3,600	3,600	3,600	2,325	2,462	2,600
Pension and UIF Contributions				85	82	82	82			
Medical Aid Contributions										
Overtime										
Performance Bonus				317	296	296	296	-	-	-
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Municipality</b>		-	-	4,205	3,978	3,978	3,978	2,325	2,462	2,600
<b>% increase</b>	4		-	-	(5.4%)	-	-	(41.6%)	5.9%	5.6%
<b><u>Other Municipal Staff</u></b>										
Basic Salaries and Wages				15,377	13,323	13,323	13,323	12,411	13,180	13,955
Pension and UIF Contributions					829	829	829	825	876	928
Medical Aid Contributions					312	312	312	296	314	332
Overtime					146	146	146	152	162	171
Performance Bonus				1,138	963	963	963	1,005	1,067	1,130
Motor Vehicle Allowance	3							-	-	-
Cellphone Allowance	3							-	-	-
Housing Allowances	3				8	8	8	8	9	9
Other benefits and allowances	3			1,724	339	339	339	329	349	370
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Other Municipal Staff</b>		-	-	18,239	15,920	15,920	15,920	15,027	15,957	16,896
<b>% increase</b>	4		-	-	(12.7%)	-	-	(5.6%)	6.2%	5.9%
<b>Total Parent Municipality</b>		-	-	24,324	21,871	21,871	21,871	19,746	20,521	21,721
			-	-	(10.1%)	-	-	(9.7%)	3.9%	5.9%

TABLE BELOW MBRR SA24 – SUMMARY OF PERSONNEL NUMBERS

NC066 Karoo Hoogland - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
		Positions 1,2	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		7		7	7		7	7	7	
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	3		3	2		2	2	2	
Other Managers	7	4	4		3	3				
Professionals		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		6	6	–	5	5	–	5	5	–
Finance		5	5		5	5		5	5	
Spatial/town planning										
Information Technology										
Roads										
Electricity		1	1							
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)		12	12		12	12		12	12	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		6	6		6	6		5	5	
Elementary Occupations		68	68		60	60		58	58	
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>106</b>	<b>96</b>	<b>10</b>	<b>95</b>	<b>86</b>	<b>9</b>	<b>89</b>	<b>89</b>	<b>–</b>
<b>% increase</b>					(10.4%)	(10.4%)	(10.0%)	(6.3%)	3.5%	(100.0%)
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

# MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

## TABLE 9 MBRR SA25 - BUDGETED MONTHLY REVENUE AND EXPENDITURE

NC066 Karoo Hoogland - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand																
Revenue By Source																
Property rates		4,254	110	110	110	110	110	110	110	110	110	110	596	5,950	6,301	6,654
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		971	871	771	671	571	571	671	671	771	871	871	969	9,250	9,796	10,344
Service charges - water revenue		222	222	242	252	262	222	252	272	252	252	230	220	2,900	3,071	3,243
Service charges - sanitation revenue		276	276	276	276	276	276	276	276	276	276	276	272	3,308	3,503	3,699
Service charges - refuse revenue		232	232	232	232	232	232	232	232	232	232	232	228	2,780	2,944	3,109
Service charges - other		1	1	1	1	1	1	1	1	1	1	1	1	8	8	9
Rental of facilities and equipment		41	41	41	41	41	41	41	41	41	41	41	41	497	526	556
Interest earned - external investments		18	18	18	18	18	18	18	18	18	18	18	18	215	228	240
Interest earned - outstanding debtors		79	79	79	79	79	79	79	79	79	79	79	79	948	1,004	1,060
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		0	0	0	0	0	0	0	0	0	0	0	(0)	5	5	5
Licences and permits		2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
Agency services		20	20	20	20	20	20	20	20	20	20	20	20	243	257	272
Transfers recognised - operational		9,538	220	220	220	5,490	220	220	220	4,173	220	220	220	21,176	20,938	21,794
Other revenue		50	50	50	50	50	50	50	50	50	50	50	50	595	630	665
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	50	53	56
Total Revenue (excluding capital transfers and contributions)		15,704	2,141	2,061	1,971	7,152	1,841	1,971	1,991	6,024	2,171	2,149	2,765	47,945	49,286	51,729
Expenditure By Type																
Employee related costs		1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	17,352	18,419	19,496
Remuneration of councillors		203	203	203	203	203	203	203	203	203	203	203	161	2,394	2,102	2,225
Debt impairment		195	195	195	195	195	195	195	195	195	195	195	195	2,340	2,478	2,617
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-	-	-	400	400	424	447
Finance charges		25	25	25	25	25	25	25	25	25	25	25	25	305	305	305
Bulk purchases		835	735	635	535	535	435	435	531	635	735	735	834	7,615	8,064	8,516
Other materials		169	169	169	169	169	169	169	169	169	169	169	169	2,028	1,882	1,660
Contracted services		450	450	330	80	80	80	80	80	80	80	80	80	1,950	2,065	2,181
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	1,147	834	13,451	13,365	14,040
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		4,470	4,370	4,150	3,800	3,800	3,700	3,700	3,796	3,900	4,000	4,000	4,143	47,834	49,103	51,486
Surplus/(Deficit)		11,233	(2,229)	(2,089)	(1,829)	3,352	(1,859)	(1,729)	(1,805)	2,124	(1,829)	(1,851)	(1,378)	111	183	243
Transfers recognised - capital		8,005	-	-	-	-	-	-	-	-	-	-	(8,005)	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		19,238	(2,229)	(2,089)	(1,829)	3,352	(1,859)	(1,729)	(1,805)	2,124	(1,829)	(1,851)	(9,383)	111	183	243
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	19,238	(2,229)	(2,089)	(1,829)	3,352	(1,859)	(1,729)	(1,805)	2,124	(1,829)	(1,851)	(9,383)	111	183	243

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

**NC066 Karoo Hoogland - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)**

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Council		615	2	2	2	492	2	2	2	370	2	2	2	1,494	1,562	1,632
Finance		2,778	53	53	53	53	53	53	53	53	53	53	52	3,357	3,446	3,634
Rates		6,521	20	20	20	461	20	20	20	351	20	20	20	7,514	7,930	8,347
Municipal Manager		3	3	3	3	3	3	3	3	3	3	3	3	35	37	39
Refuse		1,724	252	252	252	1,429	252	252	252	1,135	252	252	252	6,554	6,867	7,179
Libraries		1,634	1	1	1	1	1	1	1	1	1	1	1	1,641	1,737	1,835
Commonage		25	25	25	25	25	25	25	25	25	25	25	25	294	311	329
Townhall & Buildings		28	28	28	28	28	28	28	28	28	28	28	28	333	353	372
Cemeteries		1	1	1	1	1	1	1	1	1	1	1	1	8	8	9
Parks trees and recreation		2	2	2	2	2	2	2	2	2	2	2	2	28	30	31
Health														–	–	–
Streets and Public Works		1,000	1	1	1	1	1	1	1	1	1	1	1	1,011	11	12
Electricity		1,933	791	791	791	1,705	791	791	791	1,476	791	791	791	12,230	12,686	13,344
Water		1,562	265	265	265	1,302	265	265	265	1,043	265	265	265	6,289	6,803	7,116
Sanitation		1,807	294	294	294	1,505	294	294	294	1,202	294	294	294	7,159	7,505	7,851
<b>Total Revenue by Vote</b>		<b>19,632</b>	<b>1,735</b>	<b>1,735</b>	<b>1,735</b>	<b>7,006</b>	<b>1,735</b>	<b>1,735</b>	<b>1,735</b>	<b>5,688</b>	<b>1,735</b>	<b>1,735</b>	<b>1,735</b>	<b>47,945</b>	<b>49,286</b>	<b>51,729</b>
<b>Expenditure by Vote to be appropriated</b>																
Council		264	264	264	264	264	264	264	264	264	264	264	264	3,166	2,847	2,991
Finance		771	771	771	771	771	771	771	771	771	771	771	821	9,307	9,856	10,092
Rates		80	80	80	80	80	80	80	80	80	80	80	80	964	1,021	1,078
Municipal Manager		426	426	426	426	426	426	426	426	426	426	426	426	5,113	5,420	5,729
Refuse		286	286	286	286	286	286	286	286	286	286	286	286	3,437	3,640	3,844
Libraries		137	137	137	137	137	137	137	137	137	137	137	137	1,645	1,744	1,843
Commonage		7	7	7	7	7	7	7	7	7	7	7	7	85	90	95
Townhall & Buildings		31	31	31	31	31	31	31	31	31	31	31	31	375	397	419
Cemeteries		1	1	1	1	1	1	1	1	1	1	1	1	7	7	8
Parks trees and recreation		77	77	77	77	77	77	77	77	77	77	77	77	930	983	1,037
Health														–	–	–
Streets and Public Works		237	237	237	237	237	237	237	237	237	237	237	237	2,839	1,998	2,109
Electricity		984	984	984	984	984	984	984	984	984	984	984	984	11,802	12,454	13,111
Water		278	278	278	278	278	278	278	278	278	278	278	278	3,331	3,529	3,727
Sanitation		403	403	403	403	403	403	403	403	403	403	403	403	4,832	5,117	5,404
<b>Total Expenditure by Vote</b>		<b>3,982</b>	<b>3,982</b>	<b>3,982</b>	<b>3,982</b>	<b>3,982</b>	<b>3,982</b>	<b>3,982</b>	<b>3,982</b>	<b>3,982</b>	<b>3,982</b>	<b>3,982</b>	<b>4,032</b>	<b>47,834</b>	<b>49,103</b>	<b>51,486</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>15,650</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>3,024</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>1,706</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>(2,297)</b>	<b>111</b>	<b>183</b>	<b>243</b>
Taxation														–	–	–
Attributable to minorities														–	–	–
Share of surplus/ (deficit) of associate														–	–	–
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>15,650</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>3,024</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>1,706</b>	<b>(2,247)</b>	<b>(2,247)</b>	<b>(2,297)</b>	<b>111</b>	<b>183</b>	<b>243</b>

**TABLE 10 MBRR SA26 - BUDGETED MONTHLY REVENUE AND EXPENDITURE (MUNICIPAL VOTE)**

REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66

**TABLE 11 MBRR SA27 - BUDGETED MONTHLY REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

NC066 Karoo Hoogland - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>																
<b>Governance and administration</b>		9,600	138	138	138	1,066	138	138	138	837	138	138	82	12,693	13,285	13,980
Executive and council		618	5	5	5	492	5	5	5	373	5	5	5	1,528	1,618	1,671
Budget and treasury office		2,778	53	53	53	53	53	53	53	53	53	53	52	3,357	3,426	3,634
Corporate services		6,204	81	81	81	522	81	81	81	411	81	81	25	7,808	8,241	8,675
<b>Community and public safety</b>		167	167	167	167	167	167	167	167	167	167	167	167	2,010	2,128	2,247
Community and social services		165	165	165	165	165	165	165	165	165	165	165	165	1,982	2,098	2,216
Sport and recreation		2	2	2	2	2	2	2	2	2	2	2	2	28	30	31
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
<b>Economic and environmental services</b>		1,000	1	1	1	1	1	1	1	1	1	1	1	1,011	11	12
Planning and development														-	-	-
Road transport		1,000	1	1	1	1	1	1	1	1	1	1	1	1,011	11	12
Environmental protection														-	-	-
<b>Trading services</b>		7,026	1,601	1,601	1,601	5,941	1,601	1,601	1,601	4,856	1,601	1,601	1,601	32,232	33,862	35,490
Electricity		1,933	791	791	791	1,705	791	791	791	1,476	791	791	791	12,230	12,686	13,344
Water		1,562	265	265	265	1,302	265	265	265	1,043	265	265	265	6,289	6,803	7,116
Waste water management		1,807	294	294	294	1,505	294	294	294	1,202	294	294	294	7,159	7,505	7,851
Waste management		1,724	252	252	252	1,429	252	252	252	1,135	252	252	252	6,554	6,867	7,179
<b>Other</b>														-	-	-
<b>Total Revenue - Standard</b>		17,793	1,908	1,908	1,908	7,175	1,908	1,908	1,908	5,861	1,908	1,908	1,951	47,945	49,286	51,729
<b>Expenditure - Standard</b>																
<b>Governance and administration</b>		1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,552	18,635	19,234	19,984
Executive and council		690	690	690	690	690	690	690	690	690	690	690	690	8,280	8,266	8,719
Budget and treasury office		776	776	776	776	776	776	776	776	776	776	776	775	9,307	9,856	10,092
Corporate services		87	87	87	87	87	87	87	87	87	87	87	88	1,049	1,111	1,173
<b>Community and public safety</b>		246	246	246	246	246	246	246	246	246	246	246	247	2,957	3,132	3,307
Community and social services		169	169	169	169	169	169	169	169	169	169	169	169	2,027	2,148	2,270
Sport and recreation		78	78	78	78	78	78	78	78	78	78	78	77	930	983	1,037
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
<b>Economic and environmental services</b>		237	237	237	237	237	237	237	237	237	237	237	237	2,839	1,998	2,109
Planning and development														-	-	-
Road transport		237	237	237	237	237	237	237	237	237	237	237	237	2,839	1,998	2,109
Environmental protection														-	-	-
<b>Trading services</b>		1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,951	23,402	24,739	26,086
Electricity		984	984	984	984	984	984	984	984	984	984	984	984	11,802	12,454	13,111
Water		278	278	278	278	278	278	278	278	278	278	278	278	3,331	3,529	3,727
Waste water management		403	403	403	403	403	403	403	403	403	403	403	402	4,832	5,117	5,404
Waste management		286	286	286	286	286	286	286	286	286	286	286	287	3,437	3,640	3,844
<b>Other</b>														-	-	-
<b>Total Expenditure - Standard</b>		3,986	3,986	3,986	3,986	3,986	3,986	3,986	3,986	3,986	3,986	3,986	3,986	47,834	49,103	51,486
<b>Surplus/(Deficit) before assoc.</b>		13,807	(2,078)	(2,078)	(2,078)	3,189	(2,078)	(2,078)	(2,078)	1,875	(2,078)	(2,078)	(2,135)	111	183	243
Share of surplus/ (deficit) of associate														-	-	-
<b>Surplus/(Deficit)</b>	1	13,807	(2,078)	(2,078)	(2,078)	3,189	(2,078)	(2,078)	(2,078)	1,875	(2,078)	(2,078)	(2,135)	111	183	243

**TABLE 12 MBRR SA28 - BUDGETED MONTHLY CAPITAL EXPENDITURE (MUNICIPAL VOTE)**

# REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66

NC066 Karoo Hoogland - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Council														-	-	-
Finance														-	-	-
Rates														-	-	-
Municipal Manager														-	-	-
Refuse														-	-	-
Libraries														-	-	-
Commonage														-	-	-
Townhall & Buildings														-	-	-
Cemeteries														-	-	-
Parks trees and recreation														-	-	-
Health														-	-	-
Streets and Public Works														-	-	-
Electricity														-	-	-
Water														-	-	-
Sanitation														-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Council														-	-	-
Finance														-	-	-
Rates														-	-	-
Municipal Manager														-	-	-
Refuse														-	-	-
Libraries														-	-	-
Commonage														-	-	-
Townhall & Buildings														-	-	-
Cemeteries														-	-	-
Parks trees and recreation														-	-	-
Health														-	-	-
Streets and Public Works		350	350	350	350	350	350	350	350	350	350	350	350	4,205	8,135	8,329
Electricity														-	-	-
Water		317	317	317	317	317	317	317	317	317	317	317	317	3,800	-	-
Sanitation														-	-	-
<b>Capital single-year expenditure sub-total</b>	2	667	667	667	667	667	667	667	667	667	667	667	667	8,005	8,135	8,329
<b>Total Capital Expenditure</b>	2	667	667	667	667	667	667	667	667	667	667	667	667	8,005	8,135	8,329

REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66

**TABLE 13 MBRR SA29 - BUDGETED MONTHLY CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)**

NC066 Karoo Hoogland - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital Expenditure - Standard</b>	1															
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council														-	-	-
Budget and treasury office														-	-	-
Corporate services														-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services														-	-	-
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		350	350	350	350	350	350	350	350	350	350	350	350	4,205	8,135	8,329
Planning and development														-	-	-
Road transport		350	350	350	350	350	350	350	350	350	350	350	350	4,205	8,135	8,329
Environmental protection														-	-	-
<i>Trading services</i>		317	317	317	317	317	317	317	317	317	317	317	317	3,800	-	-
Electricity														-	-	-
Water		317	317	317	317	317	317	317	317	317	317	317	317	3,800	-	-
Waste water management														-	-	-
Waste management														-	-	-
<i>Other</i>														-	-	-
<b>Total Capital Expenditure - Standard</b>	2	667	667	667	667	667	667	667	667	667	667	667	667	8,005	8,135	8,329
<b>Funded by:</b>																
National Government		8,005												8,005	8,135	8,329
Provincial Government														-	-	-
District Municipality														-	-	-
Other transfers and grants														-	-	-
Transfers recognised - capital		8,005	-	-	-	-	-	-	-	-	-	-	-	8,005	8,135	8,329
Public contributions & donations														-	-	-
Borrowing														-	-	-
Internally generated funds														-	-	-
<b>Total Capital Funding</b>		8,005	-	-	-	-	-	-	-	-	-	-	-	8,005	8,135	8,329

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

**TABLE 14 MBRR SA30 - BUDGETED MONTHLY CASH FLOW**

NC066 Karoo Hoogland - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash Receipts By Source</b>													1		
Property rates	4,254	110	110	110	110	110	110	110	110	110	110	596	5,950	6,301	6,654
Property rates - penalties & collection charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue	971	871	771	671	571	571	671	671	771	871	871	969	9,250	9,796	10,344
Service charges - water revenue	222	222	242	252	262	222	252	272	252	252	230	220	2,900	3,071	3,243
Service charges - sanitation revenue	276	276	276	276	276	276	276	276	276	276	276	276	3,308	3,503	3,699
Service charges - refuse revenue	232	232	232	232	232	232	232	232	232	232	232	232	2,780	2,944	3,109
Service charges - other	1	1	1	1	1	1	1	1	1	1	1	1	8	8	9
Rental of facilities and equipment	41	41	41	41	41	41	41	41	41	41	41	41	497	526	556
Interest earned - external investments	18	18	18	18	18	18	18	18	18	18	18	18	215	228	240
Interest earned - outstanding debtors	79	79	79	79	79	79	79	79	79	79	79	79	948	1,004	1,060
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines	0	0	0	0	0	0	0	0	0	0	0	0	5	5	5
Licences and permits	2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
Agency services	20	20	20	20	20	20	20	20	20	20	20	20	243	257	272
Transfer receipts - operational	9,538	220	220	220	5,490	220	220	220	4,173	220	220	220	21,176	20,938	21,794
Other revenue	50	50	50	50	50	50	50	50	50	50	50	50	595	630	665
<b>Cash Receipts by Source</b>	<b>15,703</b>	<b>2,141</b>	<b>2,061</b>	<b>1,971</b>	<b>7,151</b>	<b>1,841</b>	<b>1,971</b>	<b>1,991</b>	<b>6,024</b>	<b>2,171</b>	<b>2,149</b>	<b>2,723</b>	<b>47,895</b>	<b>49,233</b>	<b>51,673</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	8,005	—	—	—	—	—	—	—	—	—	—	—	8,005	8,135	8,329
Contributions recognised - capital & Contributed assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	50	—	—	—	—	—	—	—	—	—	—	—	50	—	—
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Receipts by Source</b>	<b>23,758</b>	<b>2,141</b>	<b>2,061</b>	<b>1,971</b>	<b>7,151</b>	<b>1,841</b>	<b>1,971</b>	<b>1,991</b>	<b>6,024</b>	<b>2,171</b>	<b>2,149</b>	<b>2,723</b>	<b>55,950</b>	<b>57,368</b>	<b>60,002</b>
<b>Cash Payments by Type</b>															
Employee related costs	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	17,352	18,419	19,496
Remuneration of councillors	203	203	203	203	203	203	203	203	203	203	203	203	2,430	2,102	2,225
Finance charges	25	25	25	25	25	25	25	25	25	25	25	25	305	305	305
Bulk purchases - Electricity	835	735	635	535	535	435	435	531	635	735	735	835	7,615	8,064	8,516
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials	169	169	169	169	169	169	169	169	169	169	169	169	2,027	1,882	1,660
Contracted services	450	450	330	80	80	80	80	80	80	80	80	80	1,950	2,065	2,181
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenditure	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	15,800	15,908	16,743
<b>Cash Payments by Type</b>	<b>4,445</b>	<b>4,345</b>	<b>4,124</b>	<b>3,775</b>	<b>3,775</b>	<b>3,675</b>	<b>3,675</b>	<b>3,771</b>	<b>3,874</b>	<b>3,975</b>	<b>3,975</b>	<b>4,074</b>	<b>47,479</b>	<b>48,745</b>	<b>51,125</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	2,001	50	—	2,001	—	—	2,001	—	2,001	—	—	—	8,055	8,135	8,329
Repayment of borrowing	—	—	—	—	—	—	—	—	—	—	—	305	305	305	305
Other Cash Flows/Payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Payments by Type</b>	<b>6,446</b>	<b>4,395</b>	<b>4,124</b>	<b>5,776</b>	<b>3,775</b>	<b>3,675</b>	<b>5,676</b>	<b>3,771</b>	<b>5,875</b>	<b>3,975</b>	<b>3,975</b>	<b>4,379</b>	<b>55,839</b>	<b>57,185</b>	<b>59,759</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>17,312</b>	<b>(2,254)</b>	<b>(2,063)</b>	<b>(3,805)</b>	<b>3,377</b>	<b>(1,834)</b>	<b>(3,705)</b>	<b>(1,780)</b>	<b>148</b>	<b>(1,804)</b>	<b>(1,826)</b>	<b>(1,656)</b>	<b>110</b>	<b>183</b>	<b>243</b>
Cash/cash equivalents at the monthly year begin:	2,780	20,092	17,838	15,775	11,970	15,347	13,513	9,808	8,028	8,177	6,373	4,547	2,780	2,890	3,073
Cash/cash equivalents at the monthly year end:	20,092	17,838	15,775	11,970	15,347	13,513	9,808	8,028	8,177	6,373	4,547	2,890	2,890	3,073	3,317



## **ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS**

### **CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

In terms of the KHM's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

### **CAPITAL EXPENDITURE DETAILS**

The following three tables present details of the KHM's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

**TABLE 15 MBRR SA 34A - CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CLASS**

NC066 Karoo Hoogland - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		15,111	11,034	10,279	10,490	10,490	10,490	8,005	8,135	8,329
Infrastructure - Road transport		-	-	-	-	-	-	4,205	8,135	8,329
Roads, Pavements & Bridges								4,205	8,135	8,329
Storm water										
Infrastructure - Electricity		-	-	3,328	1,000	1,000	1,000	-	-	-
Generation										
Transmission & Reticulation				3,328	1,000	1,000	1,000			
Street Lighting										
Infrastructure - Water		14,722	10,996	4,978	9,490	9,490	9,490	3,800	-	-
Dams & Reservoirs										
Water purification										
Reticulation		14,722	10,996	4,978	9,490	9,490	9,490	3,800		
Infrastructure - Sanitation		185	-	1,961	-	-	-	-	-	-
Reticulation		185		1,961						
Sewerage purification										
Infrastructure - Other		204	38	12	-	-	-	-	-	-
Waste Management										
Transportation										
Gas	2									
Other	3	204	38	12						
<b>Community</b>		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles										
Plant & equipment	10	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on new assets</b>	1	15,111	11,034	10,279	10,490	10,490	10,490	8,005	8,135	8,329

## **4.13 KPA 4: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT**

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### **Overview**

The Constitution recognises a Municipality's right to govern on its own initiative, the affairs of its Community, subject to the National and Provincial Legislation as provided for in the Constitution. It also emphasises the responsibility of Municipalities to utilise this Constitutional space prudently and in the interest of development locally. Municipalities must provide democratic and accountable government without favour or prejudice. They must furthermore use their Constitutional space by exercising their Legislative and Executive

Authority, and use the resources of the Municipality in the best interest of the Municipality and communities therein. Human capital refers to the stock of skills and knowledge embodied in the ability to perform labour so as to produce economic value optimising Human Capital within the context of Karoo Hoogland Municipality this relates to the development of skills and improvement of knowledge of employees through education and gaining relevant experience.

### **EMPLOYMENT EQUITY**

The institution has improved its employment equity as required by legislation.

### **INSTITUTIONAL POLICIES**

Karoo Hoogland Municipality has approved a number of municipal policies geared at assisting the municipal organisation to administer its affairs in a manner that complies with legislation and implement the developmental mandate of the municipality. The municipality continues to review and amend its policies to reflect changing legislative framework and policy environment. The municipality has approved the following institutional policies:

- a) Tarrif Policy
- b) Write Off Policy
- c) Indigent Policy
- d) Budget Policy
- e) Property Rates Policy
- f) Customer Care, Credit Control and Debt Collection Policy
- g) Banking, Investment and Interest Policy
- h) Borrowing Policy
- i) Subsistence and Travelling Policy
- j) Supply Chain Management Policy
- k) Unauthorised, Irregular, Fruitless and Wastefull Policy
- l) Gift and Rewards Policy

The municipality has as organisational structure that was approved by council wherein more than 90% of the vacant posts were filled. The following policies and plans were developed and approved by council viz:

- Work Skills Plan (WSP)
- Performance Management Framework
- Travelling and subsistence allowance Policy
- IT policy
- Anti- corruption Policy

Employees were enrolled to participate in various courses that will enhance and improve their skills in order to effectively execute their daily duties.

## **INSTITUTIONAL PLAN**

The municipality has developed a plan that will guide institutional activities in all the departments. It illustrates amongst others issues that the municipality will focus on in ensuring organisational development and sustainability.

### ***Institutional Plans***

**Employment equity plan:** The municipality developed employment equity policy that complies with the Labour Relations Act.

**Retention of staff:** Retention policy was developed and approved by council in order to ensure the retention of skilled personnel within the institution

**Placement of staff:** The municipality developed a placement policy including a committee that comprises of labour movements and management including the political component.

**Recruitment of staff:** Recruitment and selection policy is in place to guide the institution on issues of new employees' recruitment. There is an approved organisational structure that indicates filled and vacant posts.

**Management of assets:** Asset management policy is developed and approved by council

### **Establishment of committees:**

The municipality established committees that will deal with both administrative and political issues. Amongst others the committees established are Section 79 and 80 committees that will play an oversight role

## **SKILLS PROFILE**

The municipality conducted a skills audit in the previous financial year. The main objective was to determine which skills the municipality still needs to improve on. Employees were enrolled in various courses depending on their specific developmental/competency needs.

- Municipal finance management
- Occupational health and safety management
- Fraud investigation
- Asset management
- Investigation of cyber crime
- Population Environment Development for IDP
- Municipal Performance Management
- Operators
- Customer care
- Computer literacy
- Traffic examiners

## **SKILLS REQUIRED**

The municipality has embarked on a process of training employees as required by their specific developmental/competency needs. The training that the municipality offered during the 2017/2018 financial year are those of financial management, public administration, plumbing, grator operators and a Mass Youth Programme for unemployed youth in plumbing, bricklayers and civil and construction. Various other training courses where conducted across the departments of the municipality to adhere to the skills required to deliver the services.

## **LABOUR RELATIONS**

It is upon the institution to ensure that it complies with labour standards set out in the Labour Relations Act 66 of 1995. The municipality has employed personnel from diverse cultures and religions. It remains essential for the institution to treat its employees equally as one family not withstanding its core functions and responsibilities.

## **INFORAMTION TECHNOLOGY**

The establishment of ICT department within Karoo Hoogland Municipality to render a service to all departments through effective, efficient and cost effective systems and equipment that enhances the performance of these departments in service delivery to inhabitants, was not budgeted for. The ICT services are being delivered by SEBATA with regard to our telephone, network and financial system. However, the setup of email and internet are being done by regular staff.

Council has one server on which its systems run. These systems are for financial management, document management, prepaid services, security and connectivity, communication, e-natis vehicle registration management. Council business is conducted from 6 different buildings spread over the whole servicing area including the three towns. Within the buildings a wired network connects as well as wireless network connects, the offices to a main switch connected to the servers.

The IT Department should support all system users, maintains equipment and is responsible for the purchasing of equipment either for replacement or new staff. Keeping

track with technology changes is always challenging due to budget constraints. IT services are also being outsourced or contracted when needed.

## **CUSTOMER SATISFACTION AND COMPLAINS MANAGEMENT SYSTEM**

To focus on the client's need in a responsible and pro-active way, to enhance the payment for services and to create a positive and cooperative relation-ship between the persons responsible for the pay-ment for services received, and the municipality, and where applicable, any service provider.

The municipality has a complaint register in place which allow the public to report their complaints verbally, telephonically, email or online on the municipality's website. Office Managers attend to these complaints and direct to the relevant departments. A job card system is in place to monitor the progress and the time frame in which the compliant was addressed.

## **OCCUPATION HEALTH AND SAFETY**

The occupational health and safety functions are located in the corporate services department. The unit is mainly dealing with the following:

### **Issues dealt with by Occupational Health and Safety Unit**

#### **Function Description**

**Employee support Programme** Employees of the municipality differ in character and behaviour.

#### **Employee wellness**

It remains the responsibility of the municipality to ensure that employees are medically well and fit. The OHS unit work in partnership with the department of health and labour in ensuring that safety and medical services are accessible to all employees.

#### **Institutional safety**

Karoo Hoogland Municipality is working closely with the department of labour in ensuring that the institution complies with safety legislations and regulations

## **BYLAWS**

### **Approved Bylaws**

<b>HR Policies and Plans</b>			
	Name of Policy	Completed	Reviewed
		%	%
1	Affirmative Action	0.00%	
2	Attraction and Retention	0.00%	
3	Code of Conduct for employees	100.00%	
4	Delegations, Authorisation & Responsibility	100.00%	100.00%
5	Disciplinary Code and Procedures	100.00%	
6	Essential Services	0.00%	
7	Employee Assistance / Wellness	0.00%	
8	Employment Equity	0.00%	
9	Exit Management	0.00%	
10	Grievance Procedures	100.00%	
11	HIV/Aids	100.00%	
12	Human Resource and Development	0.00%	
13	Information Technology	50.00%	
14	Job Evaluation	50.00%	
15	Leave	100.00%	
16	Occupational Health and Safety	50.00%	
17	Official Housing	0.00%	
18	Official Journeys	0.00%	
19	Official transport to attend Funerals	0.00%	
20	Official Working Hours and Overtime	100.00%	
21	Organisational Rights	100.00%	
22	Payroll Deductions	50.00%	
23	Performance Management and Development	0.00%	
24	Recruitment, Selection and Appointments	100.00%	
25	Remuneration Scales and Allowances	0.00%	
26	Resettlement	100.00%	
27	Sexual Harassment	100.00%	
28	Skills Development	0.00%	
29	Smoking	100.00%	
30	Special Skills	0.00%	
31	Work Organisation	0.00%	
32	Uniforms and Protective Clothing	0.00%	
33	Other:		

The IDP for the 2018-2019 financial year commits to develop various key municipal by-laws to create the necessary regulatory framework to improve governance.

At the local level the Karoo Hoogland Municipality should focus on ensuring the effective enforcement of bylaws including traffic whistle-blowing on corruption and fraud, and encourage the participation of council and residents in Community Policing Forums and other initiatives aimed at eliminating crime.

In addition, a new strategy for overall bylaw enforcement would be developed. The bylaw enforcement coordination would ensure that municipal bylaws are implemented in a coordinated and coherent manner and appropriate resources are Identified for such implementation.

#### **4.14 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

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##### **Communication**

The municipality has established a fully functional communication system. A communication strategy was developed to guide the communication internally and externally. The below diagram indicate systems of communication administratively and politically.

##### **Community Participation**

The medium for communication includes Municipal newsletters, Annual Report, local and National Newspapers, Ward committee system, Community Development workers (CDW's), as well as loud-hailing. The Karoo Hoogland Municipality has been incrementally increasing public participation, however there is a need to increase the number of residents and communities. The present reliance on the intermitted and often fragmented processes of consultation and participation orchestrated through IDPs and budgeting processes are inadequate. The municipality would be revising its public participation and communication strategies. The municipality would further enhance existing IGR structures to improve public participation. The municipality sustained a good relationship with its internal and external stakeholders.

Other structures that participate in the IDP development are as follows:

- CPF (Community Policing Forum)
- NGO's and CBO's
- Farmers associations
- CDW's (Community Development Workers)
- ESKOM
- Sector departments and the District municipality
- Early Childhood Development Centres
- The Aged centres
- Women Caucus
- Local Aids Council
- Disability forum



➤ Provincial and National sector departments

### **Community participation Challenges**

- Shortage of communication personnel
- Lack of working resources- branding material
- Capacity building
- No enough coverage of municipal good news- units do not submit for both newsletter, website, print
- media in general

### **ADMINISTRATIVE GOVERNANCE**

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In terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Section 60 the Municipal Manager of a municipality is the accounting officer of that municipality for the purposes of the Act and must provide guidance on compliance with the Act to political structures, political officer bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

In accordance with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Section 61 (1) a Municipal Manager must:

- “(a) act with fidelity, honesty, integrity and in the best interest of the municipality in managing its financial affairs;*
- (b) Disclose to the municipal council and mayor all material facts which are available to the accounting officer or reasonably discoverable, and which in any way might influence the decisions or actions of the council or mayor;*
- (c) Seek, within the sphere of influence of the accounting officer, to prevent any prejudice to the financial interest of the municipality.”*

The Municipal Manager is the head of the administration of Karoo Hoogland Municipality and provides the link between the political and administrative arms of the Municipality.

Section 66 of the Local Government:

Municipal Systems Act, 2000 (Act 32 of 2000) states the following:

- “66(1) a municipal manager within a policy framework, determine by the municipal council and subject to any applicable legislation, must*
- (a) develop a staff establishment for the municipality and submit the staff establishment to the municipal council for approval.”*

In terms of the above-mentioned section the Municipal Manager embarked on a process of reviewing the staff establishment since October 2013. The new proposed staff establishment tabled by the Consultant was pre-approved by Council January 2014. Council adopted the new Organogram on 9 December 2015, however a few processes should follow before being fully implemented.

The organisational compilation of the office of the Municipal Manager is as follows:

Office of the Mayor

## Office of the Municipal Manager

### **Macro-structure:**

Directorate Corporate Services  
Directorate Financial Services  
Directorate Infrastructure Services

### **Municipal Manager**

Mr JJ Fortuin  
Filled

### **Chief Financial Officer**

Mr S Myburgh  
Filled

### **Infrastructure Services Manager**

Mr FJ Lotter  
Filled

## **INTERGOVERNMENTAL RELATIONS**

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### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

The Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) states that the role of the National Intergovernmental Forums is:

- To raise matters of national interest within that functional area with provincial governments and, if appropriate, organized local government and to hear their views on those matters
- To consult provincial governments and, if appropriate, organized local government on-
  - The development of national policy and legislation relating to matters affecting that functional area.
  - The implementation of national policy and legislation with respect to that functional area.
  - The co-ordination and alignment within that functional area of strategic and performance plans and priorities, objectives and strategies across national, provincial and local governments.
  - The co-ordination and alignment of the strategic and performance plans and priorities, objectives and strategies of the provincial government and local government in the province

### **PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

As stated by Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), the role of the Provincial Intergovernmental forums are:

- The implementation in the province of national policy and legislation affecting local government interests.

- Matters arising in the Presidents co-coordinating council and other national intergovernmental forums affecting local government interests in the province.
- National policy and legislation relating to matters affecting local government interests in the province.
- The co-ordination of provincial and municipal development planning to facilitate coherent planning in the province as a whole.

## **DISTRICT INTERGOVERNMENTAL STRUCTURES**

According to the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), the role of the District Intergovernmental forums is:

- to serve as a consultative forum for the district municipality and the local municipalities in the district to discuss and consult each other on matters of mutual interest including-
- ✓ Draft national and provincial policy and legislation relating to matters affecting local government interests in the district.

## **CURRENT STRUCTURES IN PLACE**

Meetings and interactions on the following levels are regularly attended to enhance the Municipality regarding National and Provincial Government Policies and practices.

- Work closely with District Municipality, Provincial Government and SALGA to finalize the Provincial Urban Development Framework.
- Rollout of National Local Government anti-corruption strategy to all Municipalities and coordinate the implementation of the strategy at a local level.
- Support regarding implementation of the Municipal Property Rates Act.
- Support Municipality to comply with MFMA priority areas for implementation.
- The Provincial IDP engagement process and ensure alignment with LED strategies of Municipalities and PGDS.
- Alignment of all sector plans with the PGDS and IDP's and the NDP so as to meet service delivery targets.
- District to align sector plans i.e Housing and MIG and Municipalities IDP.
- Alignment of LED with District LED and the Provincial PGDS
- Regular Back 2 Basics Reporting to the District since February 2015 as well as bi-annually reporting.

## **PUBLIC ACCOUNTABILITY AND PARTICIPATION**

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Procedures for community participation processes as set out in legislation adhered to by timeously giving out meeting notices. This is Council meetings and Public meetings.

The municipality has made special efforts to enhance communication with the general public through various organized structures. The relationship with organized NGO's such as local community forums and ward committee structures have improved.

Council has endeavored to meet its legal obligations with regarding public participation with special reference to the following meetings which were held:

- IDP meetings
- Budget meetings
- Imbizo's
- Ward Committees were established and is functional
- Public Newsletters are circulated quarterly and public notices to keep the community informed.

Timeously distribution of Council agendas resulting in an almost 100% attendance of scheduled meetings.

- It is a priority to implement a Document Management System to track and monitor Council resolutions for effective communication.
- The Municipal website is in place as per legislative requirement and also focuses on tourism.

## **COMMUNITY DEVELOPMENT WORKERS**

- CDW's deployed.
- There are 4 CDW's in KHM. 1 in Fraserburg, two in Sutherland and one in Williston.
- There is a fairly good relationship with them and they are mainly being utilized to promote communication between Council and the public.

## **DISTRICT IGR FORUM FUNCTIONALITY**

- The IGR in the Namaqua District is functional and is attended by the Mayor and Municipal Manager on regular basis.

## **OVERVIEW OF CORPORATE GOVERNANCE**

Municipalities must exercise their executive and legislative authority within a system of co-operative government as outlined in Section 41 of the Constitution.

The corporate governance component is clearly identified and prescribed in the Municipal Systems Act as well as the Municipal Financial Management Act. The following sub-components are highlighted:

## **SECTION 79 PORTFOLIO COMMITTEES**

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In terms of Section 9 of the Local Government Municipal Structure Act (No. 117 of 1998) Karoo Hoogland LM is a Category B municipality with a plenary executive system combined with a ward participatory system.

In order to enhance good governance and accountability, the Municipality adopted the separation of powers. This is in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened and that effective public service delivery takes place to benefit Karoo Hoogland and its communities. Council has established section 79 committees to play an oversight role and monitor the work of the administration. The established Committees are aligned to administrative departments of the municipality and are chaired by councillors.

The following committees were established:

- Corporate Services
- Infrastructure
- Finances
- MPAC

### **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

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As previously noted The Karoo Hoogland Municipality has established a Municipal Public Accounts Committee (MPAC). The main responsibility of MPAC is to provide oversight on operational performance and other related management aspects of the Municipality as delegated by Council. The MPAC can recommend or undertake any investigation in its area of responsibility. The primary function of MPAC was originally to provide comment on the Annual Report through the oversight report, but can be mandated to perform ad-hoc investigations as requested. The Annual oversight report provides guidance to Council on whether to adopt the Annual Report.

### **WARD COMMITTEES**

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To further strengthen community engagement the municipality the Karoo Hoogland Municipality has established (4) ward committees in terms of Municipal Structures Act of 1998. Each ward committee comprises of (10) members per ward and thus serve as a vital link between the municipality and the community. All the established committees are functional and submit their reports to the office of the speaker on monthly basis.

The effectiveness of these committees is negatively impacted through lack of knowledge on the role and responsibilities and insufficient work resources such as cell phones. Requisite training will be provided through COGHSTA.

### **COMMUNITY DEVELOPMENT WORKERS**

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Institutional capacity building will be needed to empower communities to maintain infrastructure, and business training will be required to enable communities to sustain economic initiatives. The system of Community Development Workers could support this

initiative extensively and the Karoo Hoogland Municipality should investigate ways and means to implement this concept in the municipal area.

Community participation on the part of Karoo Hoogland Municipality is not a choice, but constitutional obligation and legal requirement. The Elias Karoo Hoogland Municipality should strive to narrow the current chasm between policy and practice.

Challenges facing Community Development Workers are:

- Lack of office space
- Transport to attend workshops and other important activities

## **MAYORAL OUTREACH PROGRAMMES**

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Apart from the Ward Committees the only other mechanism in place in the municipal area is the Mayoral Outreach Programme. The Mayoral Committee outreach at the moment does not ensure that communities and beneficiaries ultimately take ownership of infrastructure and assets the Karoo Hoogland Municipality invest in their communities. In establishing partnerships with communities, the municipality need to ensure that participation is formalised and strengthened.

The Karoo Hoogland Municipality will also have to work with existing organised groupings in the community, the social movements like NGOs/CBOs, youth and women formations, businesses, farmers (both subsistence and commercial), disabled and many other organised civil society organs.

## **BACK TO BASICS**

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On 18 September 2014 President Jacob Zuma convened the second Presidential Local Government summit at the Gallagher Convention Centre Midrand Johannesburg. The theme of the Summit was “Back to Basics” Serving Our Communities Better.

The summit was convened to provide an intergovernmental platform for the Minister of Cooperative Governance and Traditional Affairs, Mr P Gordhan (the Minister) to introduce government and stakeholders to the “Back to Basics” approach for Local Government.

The impetus for the Summit was the imperative identified by the Minister to improve the functioning of municipalities to better serve communities by getting the basics right. In this respect government must have a common understanding of where we are where we could be and what needs to be done.

The core document “Back to Basics: Serving Our Communities Better was distributed to all delegates at the summit. This paper acknowledges what has been achieved so far identifies our remaining challenges and proceeds to outline the Back to Basics Programme for change. Key performance standards are also introduced, as well as an articulation of the roles and responsibilities of each sphere of government and the Traditional Leaders in the implementation of the programme.

The Back to Basics document also contains an Appendix with proposed Municipal reporting activities by Mayors, their councils and Municipal administration which are for immediate implementation. It is thus a framework programme for our collective action.

The Key priority the Minister emphasized was the importance of “Getting the Basics Right”. He then introduced the five (5) pillars of “back to basics” approach which are principles for action as below.

- Putting people first
- Delivering basic services
- Good governance
- Sound financial management
- Building capacity

Towards responding to “Getting the Basics Right” and recognize that there are varying levels of performances amongst different categories of municipalities for example with regard to service delivery public participation processes, good governance, financial management and technical capacity the need exist to prioritise the following towards improving municipal performance:

**Priority 1:** For those municipalities in a dysfunctional state the objective is to get them to perform at the very least the basic functions of local government. This will be achieved through the enforcement of current policies and legislation, the systematically managing of their performance and accountability and ensuring that there are consequences for underperformance. Minimum performance requirements include ensuring the proper functioning of council structures and council processes the provision of basic services and the appointment of competent staff these are non-negotiable;

**Priority 2:** For municipalities who are functional but are not doing enough in critical areas of service a support programme will be developed to progress to a higher path. Here the focus will be on building strong municipal administrative systems and processes and to ensure that administrative positions are filled with competent and committed people whose performance is closely monitored. The oversight system for local government will be improved through creating real time monitoring systems. Measures will be taken to ensure that municipalities engage properly with their communities.

**Priority 3:** Municipalities that are performing well be incentivized by giving them greater flexibility and control over their resources and grants. They will be encouraged to move beyond the basics as they have the potential to transform the local space economy and integrate and densify their communities towards a more advance and sustainable development path.

**Priority 4:** There will be a targeted and vigorous response to corruption and fraud and zero tolerance approach to ensure that these practices are rooted out. Supply chain management practises in municipalities will be closely scrutinized. Where corruption and mismanagement have been identified government will not hesitate to make sure these are decisively dealt with through provisions such as asset forfeiture and civil claims.

CoGTHA and its stakeholder's partners will also work to change practices in the private sector and enlist the support of civil society to change the national morality.

Council approved The Back To Basics Action Plan for the municipality on the 25 February 2015.

### **Audit**

The municipality has not achieved the clean audit as expected; Audit opinion expressed was a "Qualified Opinion" however, the AG's report indicated an improvement compared to the previous financial years. The institution is working hard to achieve the 2014 clean audit target. The municipality has appointed an audit committee to assist and guide the institution in running its affairs.

### **Audit Action Plan**

Audit action Plan has been developed to deal with issues raised by the Auditor General.

### **Risk management**

The municipality established a risk management system.

### **Risk management challenges**

The municipality developed a risk management strategy that responds to risk related matters. The strategy is effectively used and implemented.

### **Anti-corruption challenges**

Anti- corruption strategy was developed to ensure that the institution adheres to compliance related legislations. The main challenge with the strategy is that it is not used effectively.

### **Programmes (Office of the Mayor)**

Through the Office of the Mayor the municipality have budgeted to support special programs for the 2017-2018 financial year that will focus and address to attend to social matters in the Karoo Hoogland municipal area however more needs to be done to concur the social injustices. The office of the mayor will embarked on the Community Works Program (COGTHA) and One House Hould One Hectar/One Household Two Dairy Cows programme, One Rural Ward One Integrated Development Centre (Department of Rural Development and Land Reform to address socio economic Development.

The right to food is entrenched as Constitutional mandate in RS, i) Section 27 (1b) of the Bill of Rights "every citizen has a right to have access to food and water" ii) Section 28 (1c) every child has the right to basic nutrition, shelter, basic health care and social services", iii) Section 35 (2e) "every detained person and sentenced prisoner has a right to adequate nutrition.



The National Development Plan identifies food security and nutrition as both a consequence of poverty and inequality as well as cause. As a result the NDP makes reference to a number of steps that will improve food security and nutrition including the expanded use of irrigation security of land tenure (especially for women) the promotion of nutrition education etc.

Government of South Africa introduced the outcomes approach as a programme of action to realise service delivery. DAFF prioritises its effort on three Outcomes: 4 promoting job creation; 7 ensuring vibrant equitable and sustainable rural communities to attain food security for all and 10 environmental sustainability.

Food access by province as per STATS SA:

<b>Total Population:</b>	1 182 000
<b>Inadequate access to Food:</b>	415 416
<b>Percentage:</b>	35%

#### **The Objectives of the 1HH1HA Programme:**

- Contribute to the reduction of Poverty in rural areas;
- Revive a calibre of highly productive Black Commercial Smallholder Farmers;
- Build a sense of security of tenure increase the involvement of individual household in production activities and minimizes controversies on CPI lead landed projects
- Create viable rural small to medium agricultural enterprises;
- To build competencies and broaden the skills base targeted households and communities;
- The restoration of the Social Capital and beauty of uBuntu as the currency that cements social cohesion among rural households.
- Rebuilding the sanctity and dignity of family life as most critical success factor in the Rural Socio-economic Transformation efforts of the state.

#### **Benefits for the 1HH1HA Programme**

- Job creation and people employed
- Business
- Beneficiaries development
- Health benefits
- Poverty alleviation and food security
- Tenure security
- Access to land for production
- Household Income
- Access to markets
- Skills

#### **Youth and the aged**

- Organise and coordinate youth programmes within the municipality
- Initiate and run youth developmental programmes
- Organise seminars and educational workshops on various issues such as health, career guidance, business management etc.
- Network with National and Provincial and District agencies aimed at youth development
- The youth are faced with a huge challenge of unemployment
- Inadequate educational facilities/institutions such as technikons, FET colleges and Universities
- Poverty alleviation programmes for the youth
- Inadequate old aged homes for the elders

## **Women**

Women across the municipality are faced with a number challenges that needs the attention of government and the society to act on and ensure better living of women. The municipality, through the Office of the Mayor, will established a Women Caucus Forum that will pay attention to issues of women. The role of the will forum is to establish and co-ordinate programmes and also deal with problematic issues that impacts negatively on women.

## **The Disabled**

While there is limited information on employment rates for the disabled, low literacy, low employment rates and widespread social stigma are making it difficult for disabled people to participate in economic activities in the municipal area. It is vital the municipality and other governmental agencies should create conditions for the disabled to access educational and employment opportunities. In addition, the municipality endeavours to facilitate:

- interventions that will include deepening preventative health programs
- screen all children at a young age
- empower disabled young adults with employable skills
- encourage the private sector to employ people with disabilities
- ensure full integration by overcoming stigma
- promote newer thinking and better coordination of programs
- Improve the measurement of disability to ensure that the scale of disability is better understood.
- In addition, the public participation processes in the municipality should actively encourage persons with
- Disabilities to be visible and active participants in the development process.

## **5 Moral regeneration charter**

There is a global observation that people have gone astray from their cultural norms and values, religion and believes. The role of the forum is to establish structures that will assist making co-ordination much easier. The office of the Mayor will play a major role by

developing programmes that will realise the objectives of the forum identified special groups needs are:

- Transport to attend meetings
- Skills development programme
- Employment opportunities that will help meet 2% target
- Brail machine for the visual impairment ( Disabled group)
- Stationary for all special schools and centres
- Provision of water and electricity in needy centres
- Financial assistance to the youth
- HIV/AIDS council co-ordination
- Old-aged centre requires a building

### **Early Child Development (ECD)**

Centres for early child development have been established in most of the villages. Some of these centres get support from the Social Development department whilst others depend on contributions by beneficiaries. The office of the Mayor is constantly meeting with representatives of these centres with an aim to give support where necessary. The municipality has to develop programmes that will help alleviate challenges the ECD centres are faced with.

Challenges facing ECDs are:

- Lack of proper learning centers
- Funding
- Inadequate support by National, Provincial and both local and district municipalities

### **Children's Rights**

The municipality was chosen along with two (2) others to participate in a sponsored programme conducted by Save the Children South Africa (Scsa) for the purpose of mainstreaming children's rights into local government. The project aimed to address the absence of municipal action plans for children or child rights strategy, absence of a dedicated budget for children's issues, minimal participation of children in decisions that affect them; lack of coordination forums for children's issues, and no policy for children's issues.

The municipalities need to developed a municipal action plans for children which will service as a guide to mainstream children's and prioritise children's issues within the integrate development plans and budget. A focal point to this initiative is the establishment of Ward-based children's committees to create a platform for children to participate in Municipal decision-making processes.

### **Community Works Program**

The implementation period is from 1 April 2017 to 31 March 2018.

The Community Work Programme (CWP) was established to provide an employment safety net to eligible members of target communities by offering them a minimum number of regular days of work each month.

The programme targets unemployed and underemployed people. The stipends participants receive supplement their existing livelihood means and provide them with a basic level of income security. They also assist those whose livelihood activities are insufficient to lift them out of abject poverty.

The CWP is an innovative offering from government to provide a job safety net for unemployed people of working age. It provides a bridging opportunity for unemployed youth and others who are actively looking for employment opportunities.

The programme provides them with extra cash to support them in their search for full-time or part-time employment. Programme participants do community work thereby contributing to improvements that benefit all community members.

### **Purpose of the CWP**

- To provide an employment safety net. The CWP recognises that sustainable employment solutions will take time, particularly in reaching marginal economic areas.
- To contribute to the development of public assets and services in poor communities.
- To strengthen community development approaches.
- To improve the quality of life for people in marginalised economic areas by providing work experience, enhancing dignity and promoting social and economic inclusion.

The rationale for availing 8 days of work a month in the CWP was in order to allow participants to engage in other income generating activities for the remainder of the month. The idea was that most unemployed people would not normally sit and do nothing while unemployed. Instead they would find some “piece jobs,” take up part-time or casual employment or self-employment.

The plan for Karoo Hoogland LM will focus on Local Economic Development in all the wards the key development issues to be addressed by the CWP anchor sector is;

- Economic Tourism and Environment
- Economic Job Creation
- Education
- Health and Social

Training plan

TRAINING PLAN								
Name of Implementing Agent: DHLADHLA FOUNDATION				Name of Site: Karoo-Hoogland				
Contact Person: Malcolm Abrahams				E Mail: cwp@greyheron.co.za Tel No: 0826041661				
Designation of Trainee: Participants and Supervisors				Budget for CWP Participant Training: R657 792.00				
Name of Anchor Activity – ALL: Skills Development and Training								
Name of Learnership/skills program/short course	SAQA Unit Standard ID (if aligned)	NQF Level (if aligned)	Duration in days	Date/s when course is to be conducted	Number of persons to be enrolled	Name of internal/external training provider	Accredited as a training provider	
							Yes	No
First Aid	119567 or similar	1		April 2017	25	Not sourced yet	YES	
Occupational Health and Safety	113852 or similar	3		April 2017	25	Not sourced yet	YES	
Hospitality Skills Course	64469 (part of)	4	5	June 2017	10	Not sourced yet	YES	
Tourism: Guiding Skills Course	17174 (part of)	2	5	June 2017	10	Not sourced yet	YES	
New Venture Creation (for Cooperatives)	66249 (part of)	4	5	July 2017	50	Not sourced yet	YES	
Indigenous plant management	253962	5	5	July 2017	10	Not sourced yet	YES	
School Support Assistants	NA	4	5	3	30	Not sourced yet	NO	
CWP Supervisors	NA	4	2	3	25	Not sourced yet	NO	
LRC Training	NA	NA	1	April 2017	10	CoGTA	NO	
Declaration by the IAs								
<p><b>It is confirmed that:</b></p> <ol style="list-style-type: none"> <li>In accordance with the Code of Good Practice for Employment and Conditions of Work for Special Public Works Programmes No R 64 dated 25 January 2002, as gazetted by the Department of Labour, the training program makes provision for: <ol style="list-style-type: none"> <li>each participant to receive a minimum of 2 days training for every 22 days worked</li> <li>training to be provided on relevant modules set out in Clause 15' and that</li> <li>the total training budget is equivalent to at least 2% of the project budget and that an equitable amount of the training budget has been provided for CWP participant training – (due to budget cuts on the training and technical support allocation this is not achievable)</li> </ol> </li> <li>The provisions of Clauses 10.1 and 10.2 of the Community Work Programme Implementation Manual in so far as they relate to training of CWP participants and site management were taken into account in the development of this training program.</li> </ol>								

## **CHAPTER FIVE: STRATEGIC INTENT DEVELOPMENT**

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The municipality held its strategic session during February 2017 in order to review the current 2017-2018 IDP and align the proposed 2018-2019 IDP taking cognisance of both the 2016-2017 Annual and 2016/17 midyear performances assessment as well as other influencing factors.

The purpose of this process was to align the current strategies to further assist the institution in dealing with various service delivery challenges. Based on this evaluation of all the analysis input the Karoo Hoogland Municipality re-structured the following strategies contained within their developed programmes to ensure that alignment of all factors will result in the priorities of the municipality being achieved and that appropriate resources can be allocated.

### **5.1 SWOT ANALYSIS**

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The municipality held various strategic planning workshops during the course of the 2017/2018 financial year inclusive to review the current 2017/18 IDP and align the proposed 2018/2019 IDP taking cognisance of both the 2016/17 annual and 2016/2017 midyear performance assessment as well as other influencing factors. The purpose of this process was to review and re-align the current strategies to assist the institution in dealing with various service delivery challenges and other related factors. Based on the evaluation of all the relevant analysis input the Karoo Hoogland Municipality has developed the following strategies contained within their developmental programmes. This will ensure that all challenges have been prioritized and will be addressed through the appropriate allocations of resources.

According to Section of the Constitution a municipality must structure and manage its administration and budget and planning process to give priority to the basic needs of the community and to promote the social and economic development of the community and participate in national and provincial development programmes.

The focus of the Karoo Hoogland Municipality is on shaping of the municipality to become “Karoo Hoogland will be an economical growth node in the Northern Cape, earmarked by active community participation”. In this journey the municipality is intent on aligning its goals and strategies to that of the National Development Plan – Vision 2030 (NDP) as well as other relevant National and Provincial strategies. The NDP priorities that closely link to Karoo Hoogland Municipality



The strategies of the municipality which are linked to programmes and projects must therefore focus on and be aligned to these above mentioned developmental objectives.

A SWOT analysis is a commonly used tool used to facilitate a strategic review of a particular organisation. It is a high-level exercise that identifies strengths, weaknesses, opportunities and threats of the organisation. The strengths and weaknesses are internal factors that the organisation may control. Opportunities and threats are those factors external to the organisation and therefore the organisation has little or no control over these macro environment factors.

The SWOT analysis does not identify what should be done. Rather, it provides a framework for identifying where strategic opportunities may exist and how to avoid weaknesses inherent in the organisation or external threats from limiting future expansion and growth. The purpose of the SWOT analysis is to identify and assess the strengths, weaknesses, opportunities and threats in the Karoo Hoogland Local Municipality, in terms of Local economic development.

The identification of strengths, weaknesses, opportunities and threats within the municipal area provides the basis upon which the pillars of the LED strategy may be built.

**TABLE BELOW - SWOT ANALYSIS**

Weaknesses	Strengths
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<ul style="list-style-type: none"> <li>• Water shortages</li> <li>• Low rainfall</li> <li>• Electricity shortages</li> <li>• Lack of cellphone signal</li> <li>• Land reform taking place too slowly</li> <li>• Skills gap in skilled positions</li> <li>• Municipal owned land is not being used for its best strategic uses</li> <li>• Roads linking the towns are all gravel and distances between towns are far (minimum 80km).</li> <li>• Lack of jobs and economic development</li> <li>• Seasonality of working opportunities</li> <li>• Lack of support for emerging entrepreneurs</li> <li>• Lack of available land for Local residents</li> <li>• Lack of integrated domestic and interNational marketing of the area</li> <li>• Fragmentation of tourism industry</li> <li>• Lack of access to good health care</li> <li>• Lack of sport and recreational facilities</li> <li>• Poor quality of education</li> <li>• High cost of land</li> <li>• Poor public transport network</li> <li>• Poor resourcing of LED strategies</li> <li>• Increasing levels of poverty and drug related crimes</li> <li>• High levels of teenage pregnancy</li> <li>• High dependency on social grants and wage income by the poor</li> <li>• Small dispersed towns – mostly marginally active economies (nodes classified as stagnating small towns)</li> <li>• Large distances between Local towns and major economic centres (Kimberley and Cape Town) reduce the competitiveness of this region.</li> <li>• Undiversified economy: over-dependence on agriculture</li> <li>• Virtually non-existent manufacturing industry</li> <li>• Low income levels and low spending capabilities</li> </ul>	<ul style="list-style-type: none"> <li>• South African Large Telescope (SALT) in Sutherland - one of the most powerful telescopes in the world - Ideal for stargazing</li> <li>• Eco-tourism – vast open land, unique natural flora and a number conservation areas</li> <li>• Adventure tourism – 4X4 trails, hiking and fishing</li> <li>• Historical and cultural tourism – the rich heritage of the Khoi San/Nama people</li> </ul>
<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>▪ Climate change that will impact on water resources and agricultural activities</li> <li>▪ Water supply</li> <li>▪ Water quality</li> <li>▪ Political dynamics/uncertainties</li> <li>▪ Narrowing agriculture profit margins</li> <li>▪ Fluctuations in tourism industry</li> </ul>	<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>▪ Growth in tourism</li> <li>▪ Astro tourism – the South African Large Telescope (SALT) at the South African Astronomical Observatory in Sutherland, as well as the SKA radio telescope project.</li> <li>▪ Unexploited mineral opportunities</li> </ul>



<ul style="list-style-type: none"> <li>▪ Global uncertainty of economic conditions</li> <li>▪ Fluctuations in Rand cycles</li> <li>▪ Brain-drain as individuals from the Northern Cape migrate from scarcity of business, finance, technical skills, and so forth</li> </ul>	<ul style="list-style-type: none"> <li>▪ Brand development</li> <li>▪ Strengthening Local government spheres</li> <li>▪ EPWP, SETAs and learnerships</li> <li>▪ Renewable energy</li> <li>▪ Opportunities for technology to fill gaps</li> <li>▪ Agro-processing and technology innovations (i.e. drought resistant crops)</li> <li>▪ Identified mining area along the southern boundary of LM and a central portion between Williston and Fraserburg, where uranium deposits are found.</li> <li>▪ Gypsum deposits (although limited) are found in the northern part of the LM and to the west of Sutherland</li> <li>▪ Eco-tourism</li> </ul>
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The potential analysis is the process of identifying the areas strengths in order to develop bankable cross-cutting projects.

## 5.2 CRITERIA FOR DETERMINING DEVELOPMENT POTENTIAL

Before commencing with the discussion of the relevant development potential criteria, it is deemed necessary to first clarify the meaning of potential. The Concise Oxford Dictionary (1990) describes “potential” as follows:

- Capable of coming into being or action
- The capacity for use or development
- Usable resources

Therefore, potential refers to resources and/or capacity, which can be utilised or developed. In order to identify or determine this development potential and/or opportunities within an economy, a set of criteria is required against which to measure the resource and/or capacity to determine potential. The set of criteria serves as a tool to identify areas with potential for development and opportunities within each of the Local economic sectors. The criterion for determining development potential therefore includes the following:

- a) Availability of raw materials and resources
- b) Economic linkages
- c) Market trends
- d) Gap analysis / agglomeration advantages
- e) Logistics / Nodal point function
- f) Regional service delivery function
- g) Availability of labour
- h) Technology change
- i) Enabling policy environment

Key priority areas were identified from the SWOT through pains and enablers and are as follows:

**Table 70: Pains and Enablers**

<b>Pains</b>	<b>Enablers</b>
Revenue base / collection	Revenue enhancement
Internal capacity	Training and development
Planning, monitoring and reporting	Integrated developmental planning
Ageing infrastructure	Infrastructure master plan implementation
Land use	and enforcement of by-laws
Internal controls	Adherence to audit and risk plans
Moral and social degeneration	Empowered communities
Unemployment and poverty	Economic growth
Endangered environmental resources	Protecting the environment

### Strategy Map

A strategy map creates a picture of the strategic intent of the municipality. It depicts the outcome orientated goals in support of the strategy in terms of different perspectives based upon the Balanced Scorecard (BSC) methodology as developed by Kaplan and Norton, namely the learning and growth perspective, institutional perspective, the financial and the customer perspectives as articulated as a measurement system. This step in strategy formulation acts as the integration of strategy and operational planning.

Strategy is about those broad priorities that are to be pursued in order to achieve the vision and mission. Once the high level strategic goals are developed, the BSC serves as the device for effective translation and implementation of manageable strategic objectives, outcomes, programmes and developmental strategies.

The above mentioned outcome orientated goals are aligned to development objectives that were develop by the municipality and are depicted in the table below.

Developmental objectives Outcome orientated goals  
To ensure proper land use and human settlement

<b>Developmental Objectives</b>	<b>Outcome orientated goals</b>
Renew our communities	Provide quality of living human settlements with adequate infrastructure Transform urban areas to vibrant economic centres that are safe and secure
Reinvent Economy	Promote growth and diversification of the local economy Promote BBBEE and SMME development Promote skilled labour force for improved job creation
Revive environment from waste dump to green	Promote healthy living and working environments Promote recycling and renewable energy generation
Reintegrate Region from edge to frontier	Promote transport and ICT connectivity
Release Human Potential from low skill to high	Promote improved skills through education and training Promote social cohesion through economic and social development
Respectable Governance	Ensure responsive and accountable governance Improve financial sustainability
Recurring Democracy	Ensure informed and participative citizenry

Taking into account the agricultural and tourism environment of the municipal area, an outcome orientated goal was added to ensure that the protection of the environment is addressed. The municipality must ensure that it aligns its goals with the National and Provincial goals and priorities. The table underneath indicates the municipalities outcome orientated goals' alignment to Local Government Key Performance Areas.

<b>COGTHA Key Performance Areas</b>	<b>Karoo Hoogland Developmental Objective</b>
<b>KPA 1:</b> Basic Service Delivery	Renew Community from low quality of life to high
<b>KPA 2:</b> Local Economic Development	Reinvent Economy from old to new
<b>KPA 3:</b> Financial Viability	Respectable Governance
<b>KPA 4:</b> Municipal Transformation and Institutional Development	Release Potential from low skill to high
<b>KPA 5:</b> Good Governance	Recurring Democracy

Proposed projects to be implemented over the next three financial years were identified as well as human resource requirements for the next financial year in order to implement the immediate term strategies. A summary of the developed Goals and their respective purpose statement and outcome is detailed in the following table.

<b>Ref</b>	<b>Strategic Goal</b>	<b>Outcome</b>
1.	Provide quality of living human settlements with adequate infrastructure	Improved quality of municipal basic service delivery in formalised areas: potable water waste water electricity and solid waste Improved utilization of resources: potable water electricity and fuel Improved mobility through the provision of quality municipal roads and storm water drainage Upgrade and develop informal settlements
2	Transform urban areas to vibrant economic centres that are safe and sucure	Renewed urban economic centres Safe and secure urban areas
3	Promote growth and diversification of the local economy	Growing and diversifying local economy
4	Promote BBBEE and SMME development	Sustainable BBBEE and SMME development in the local economy
5	Promote skilled labour force for improved job creation	Improved levels of employment in the local economy
6	Promote healthy living and working environments	Improved quality of public health services
7	Promote recycling and renewable energy generation	Improved environment
8	Promote transport and ICT connectivity	Improved connectivity and mobility
9	Promote improved skills through education	Improve skill base
10	Promote social cohesion through economic and social development	Improved social integration and cohesion
11	Ensure responsive and accountable governance	Improved municipal governance and administration: political governance and municipal administration
12	Improve financial sustainability	Improved financial sustainability
13	Ensure an informed and participative citizenry	Improved public participation

Karoo Hoogland Municipalities outcome orientated goals are discussed in more detail in the section that follows. The goals are dealt with per key performance area and the respective measurements are reflected in the Strategic Scorecard at the end of this Chapter.

## STRATEGIC OBJECTIVES OUTCOMES AND PROGRAMMES

The following strategic objectives were developed taking cognizance of the vision and mission statements of the municipality.

KPA	STRATEGIC OBJECTIVES	OUTCOME	PROGRAMME
<b>KPA 1:</b> Basic Service Delivery	Provide quality of living human settlements with adequate infrastructure	<ul style="list-style-type: none"> <li>➤ Improved quality of municipal basic service delivery in formalised areas: potable water, waste water, electricity and solid waste</li> <li>➤ Improve utilization of resources: potable water electricity and fuel</li> <li>➤ Improved mobility through the provision of quality municipal roads and storm water drainage</li> </ul>	Electrification Water and Sanitation Roads and Storm water Waste Management Housing Project Management Health Services Cemeteries Education and Libraries Safety and Security DLTC Climate Change Public Transport EPWP Fleet Management Disaster Management Environmental Management Building Plans/Administration
<b>KPA 2:</b> Local Economic Development	<ul style="list-style-type: none"> <li>➤ Transform Urban areas to vibrant economic centres that are safe and secure</li> <li>➤ Promote growth and diversification of the local economy</li> <li>➤ Promote BBBEE</li> </ul>	<ul style="list-style-type: none"> <li>➤ Renewed urban economic centres</li> <li>➤ Growing and diversifying local economy</li> <li>➤ Sustainable BBBEE enterprises and SMME's in the local economy</li> <li>➤ Improved levels of employment in the local economy</li> <li>➤ Improved quality of public health</li> </ul>	<ul style="list-style-type: none"> <li>➤ Economic growth and development</li> <li>➤ Poverty Alleviation</li> <li>➤ Tourism</li> <li>➤ SMME Development</li> </ul>

	<ul style="list-style-type: none"> <li>➤ development</li> <li>➤ Promote healthy living and working environments</li> <li>➤ Promote social cohesion through economic and social development</li> </ul>	<ul style="list-style-type: none"> <li>➤ services</li> <li>➤ Improved social integration and cohesion</li> </ul>	
<b>KPA 3:</b> Financial Viability	<ul style="list-style-type: none"> <li>➤ Improved financial sustainability</li> </ul>	<ul style="list-style-type: none"> <li>➤ Improved financial sustainability</li> </ul>	<ul style="list-style-type: none"> <li>➤ Legislative compliance</li> <li>➤ Financial Management</li> <li>➤ Revenue</li> <li>➤ Expenditure</li> <li>➤ SCM</li> <li>➤ Indigents</li> </ul>
<b>KPA 4:</b> Institutional Development and Municipal Transformation	<ul style="list-style-type: none"> <li>➤ Promote skilled labour force for improved job creation</li> <li>➤ Promote healthy living and working environments</li> <li>➤ Promote improved skills through education and training</li> </ul>	<ul style="list-style-type: none"> <li>➤ Improved levels of employment in the local economy</li> <li>➤ Improved quality of public health services</li> <li>➤ Improve skills base</li> </ul>	<ul style="list-style-type: none"> <li>➤ Legislative compliance</li> <li>➤ ICT</li> <li>➤ New review policies</li> <li>➤ Workplace health and safety</li> <li>➤ Labour Relations</li> <li>➤ Performance Management</li> <li>➤ WSP</li> <li>➤ LGSETA</li> </ul>
<b>KPA 5:</b> Good Governance and Public Participation	<ul style="list-style-type: none"> <li>➤ Ensure responsive and accountable governance</li> <li>➤ Ensure an informed participative citizenry</li> </ul>	<ul style="list-style-type: none"> <li>➤ Improve municipal governance and administration: political governance and municipal administration</li> <li>➤ Improved public participation</li> </ul>	<ul style="list-style-type: none"> <li>➤ Good Governance</li> <li>➤ Community Participation</li> <li>➤ IDP Development</li> <li>➤ Customer Stakeholder Relationship Management</li> <li>➤ Risk Management</li> <li>➤ Audit</li> <li>➤ PMS</li> </ul>

The strategic planning sessions was all about conceptualising the end result and the need to clearly identify the developing strategic purpose and intent by converting the achievements of Karoo Hoogland Municipality into actions.

The confirmation of the current developmental strategies will serve to galvanise management in a concerted effort to implement the strategic intent as outlined in this document for current and forward years of the five year cycle. The balanced scorecard approach must enable the municipality to measure financial management. Client value, institutional processes efficiencies and effectively and the skills and competency levels of its people. It should contribute to the disbanding of the institutional silos identifying the integrative programme for service delivery and that the budget should support the initiatives as stipulated through the process.

In August 2012 National Cabinet approved the South African National Development Plan 2030 (NDP). The Plan addresses a large number of social, political and economic challenges and issues, and essentially proposes a long term strategy to increase employment and invest in human capital through education and training. One of the main ways of influencing a municipality development path is through a planning process with a strong vision to achieve what is necessary to counteract negative forces and impacts. A long term plan can also set a municipality and its area on changed growth and development paths in the provincial, national and international context.

## **STRATEGY PURPOSE AND OUTCOMES PER KEY PERFORMANCE INDICATOR**

### **5.3 KPA 1 SERVICE DELIVERY**

**Strategic Objective:** Provide quality of living human settlements with adequate infrastructure

The National Development Plan advocates the following regarding reversing the spatial effects of apartheid and human settlements:

- Increasing urban population density while improving the livability of cities by providing parks and other open spaces and ensuring safety
- Providing more reliable and affordable public transport with better coordination across the municipality
- Moving jobs and investment towards dense townships
- Building new settlements far from places of work should be discouraged chiefly through planning and zoning regulations responsive to government policy
- Strong and efficient spatial planning system well integrated across the sphere of government
- More people living closer to their places of work
- More jobs closer in or closer to dense urban township

The Northern Cape Provincial Growth and Development Strategy's main objective for planning in the province are.

- Promoting the growth diversification and transformation of provincial economy
- Poverty reduction through social development
- Developing requisite levels of human and social capital

- Improving the efficiency and effectiveness of governance and other development institutions

National outcome 8 and 10 relates to this goal where sustainable human settlement and improved quality of household life are promoted. This goal is cross cutting with the outcome orientated goal “Protected and safe environment” It is important to take into consideration environmental assets and natural resources that are well protected and continually enhanced in line with development of integrated human settlement. The outputs relate to the reversion of the spatial effect of apartheid and to ensure low carbon economy.

The municipality aims to formalize human settlements with a detailed housing needs register to inform the municipality and eradicate backlogs. The municipality owns land and it should be investigated how best that land can be utilized for integration and upliftment of communities. The municipality must create an environment conducive for economic growth through partnerships with stakeholders to invest in the local economy. This also includes the priority of moving people closer to economic activities and opportunities.

The spatial positioning and related possibilities to link with and benefit from other economic opportunities around the municipal area should be exploited through intensive engagements with the different sectors and the marketing and branding of the municipality with specific reference to “**Astro Tourism**”.

The development of a credible IDP is the cornerstone for sustainable integrated human settlements hence the municipality must give effect to the development and implementation thereof to improve service delivery through planning monitoring reporting and evaluation of processes on service delivery.

The outcome to be achieved through this goal is improved living conditions of communities.

A critical area to support this outcome is the **Provision of Infrastructure Bulk** services.

Key projects initiative to achieve this goal:

- Township Establishment
- Provision of Infrastructure bulk services

The following programmes are link to the above strategic goal:

- Spatial Development
- Climate Change
- Land Use Management
- Building Plans Administration
- Housing

The NDP states that to grow faster and in a more effective inclusive manner the country needs higher capital spending in general and public investment in particular. The focus is



on financing planning maintenance of infrastructure. The priorities are relevant to Karoo Hoogland Municipality listed in the NDP are amongst others.

- Public transport infrastructure and systems supported by facilitates upgrades to enhance links with road based services.
- The timely development of a number of key new water schemes to supply urban and industrial centres
- The establishment of a national water conservation programme with clear targets to improve water use and efficiency
- Accelerated investment in demand side savings including technologies such as solar water heating.

**Strategic Objective:** Transform urban areas to vibrant economic centres that are safe and secure

**The NDP Targets are:**

- All people have access to clean potable water and there is enough water for agriculture industries
- Reduced water demand in urban areas to 15% below the business as usual scenario by 2030
- Additional electricity required and at least 20 000 MW of the required capacity should come from renewable sources.

National outcome 6 is an efficient competitive and responsive economic infrastructure network with the following outputs:

Output 1: Improving competition and regulation

Output 2: Ensure reliable generation distribution and transmission of electricity

Output 3: To ensure the maintenance and strategic expansion of our road rail network and the operational efficiency capacity and competitiveness of our sea ports

Output 4: Maintenance and supply availability of our bulk infrastructure

Output 5: Communication technology

Output 6: Develop a set of operational indicators for each segment

Output 9: A responsive accountable effective and efficient local government system and output 2 refers to;

- Improving access to basic services
- Meet the basic needs of the population

In response to the abovementioned priorities and strategies the municipality intends to respond as far as their powers and functions are concerned as follows with regard to its goal of accessible and sustainable infrastructure and basic services:

To achieve this goal it is important to focus on the following:

- Enhance sustainable service delivery through infrastructure development
- Ensure proper operation and maintenance of existing infrastructure and equipment

- Develop appropriate skills required for efficient service delivery

Backlogs exist in terms of basic service delivery the municipality needs upgrade its existing infrastructure. It is therefore critical for the municipality to consider the development of infrastructure.

To address the backlog it is of critical importance that the municipality should develop a Infrastructure Master Plan. The plan should assist the municipality to indicate the current state of infrastructure.

Critical areas Roads and storm water control, Waste management, Electricity, Cemetery, Parks and Sport Recreational facilities.

To provide all communities with affordable qualitative and effective standards of basic or higher levels of service and ensure the integrity of sustainable human settlements. The main focus of this objective is primarily directed at the eradication of service backlogs, balanced with community need priorities and available funding.

**The strategies is a direct link through all the different strategic workshops during the period October 2017 and February 2018.**

### **Programme 1: Spatial Development**

<b>Programme Description</b>	Spatial Planning is an integral component of the IDP process providing a municipal perspective of spatial challenges and interventions. The different levels of plans seek to guide direct and facilitate both public and private development investment and growth within the province and Karoo Hoogland Municipality in a manner that will expand opportunities and contribute towards visible upliftment of all communities.
<b>Programme Objective Outcome</b>	To provide a systematic integrated spatial development plan by 2019
<b>Short Term Strategy (1-2 Years)</b>	SDF review aligned with SPLUMA
<b>Medium Term Strategies (3-4 Years)</b>	Develop nodal zones SDF review and update
<b>Long Term Strategies (5 Years)</b>	Protection of prime and unique agricultural land SDF review and Update

### **Programme 2: Climate Change**

<b>Programme Description</b>	Implementation and service delivery to ensure adequate mitigation and adaption strategies which should include participation from the public sector private sector and NGO's.
<b>Programme Objective Outcome</b>	Provide quality of living human settlements with adequate infrastructure
<b>Short Term Strategy (1-2 Years)</b>	Inclusion of Climate change strategy in the SDF and IDP
<b>Medium Term Strategies (3-4 Years)</b>	Mainstream climate change into the Local and Municipality IDPs. Establish a monitoring and evaluation system to measure the implementation of the climate change response plan. Encourage community participation through innovative climate change adaptation methods (e.g. "bring a hat").
	Ensure that Disaster Management Plans adhere to the amended climate change

### Programme 3: Land Use Management

<b>Programme Description</b>	Renew Community from low quality of life to environment from waste dump to green city
<b>Programme Objective Outcome</b>	Transform urban areas to vibrant economic centres that are safe and secure
<b>Short Term Strategies (1-2 Years)</b>	Sustainable development and densification
<b>Medium Term Strategies (3-4 Years)</b>	Social economic inclusion
<b>Long Term Strategies (5 Years)</b>	Inclusion of previous segregated communities in land use management

### Programme 4: Building Plans Administration

<b>Programme Description</b>	Building Plans and Administration
<b>Programme Objective Outcome</b>	Compliance with National Building Regulations and Building standard Act 103 of 1997
<b>Short Term Strategies (1-2 Years)</b>	Enforce building controls
<b>Medium Term Strategies (3-4 Years)</b>	Enforce building control regulations Sustainable build environment
<b>Long Term Strategies (5 Years)</b>	Enforce building control regulations Sustainable build environment

Key projects/initiatives for successful implementation of this programmes are:

- Building inspections and building plans assessment

#### Programme 4: Housing

<b>Programme Description</b>	Housing
<b>Programme Objective Outcome</b>	Although not a core function this programme focuses on the establishment of sustainable integrated human settlements as well as the identification of areas suitable for settlement development and sourcing of appropriate funds to secure the land for development and the sourcing of appropriate funds to secure the land for development. Provide quality of living human settlements with adequate infrastructure
<b>Short Term Strategies (1-2 Years)</b>	Conduct Land Audit Identification and acquisition of suitable affordable land
<b>Medium Term Strategies (3-4 Years)</b>	Sustainable integrated human settlements development
<b>Long Term Strategies (5 Years)</b>	Sustainable integrated human settlements development

#### Programme 5: Electrification

<b>Programme Description</b>	Electrification
<b>Programme Objective Outcome</b>	Provide quality of living human settlements with adequate infrastructure Promote recycling and renewable energy generation
<b>Short Term Strategies (1-2 Years)</b>	Upgrading of the Williston and Fraserburg electrical infrastructure
<b>Medium Term Strategies (3-4 Years)</b>	Development of Electricity Master Plan Explore alternative energy use

	Address issue of illegal connections
<b>Long Term Strategies (5 Years)</b>	Compilation and implementation of electricity master plan to provide sustainable electricity to all households by 2025

### Programme 6: Water and Sanitation

<b>Programme/Function</b>	Water and Sanitation
<b>Programme Objective Outcome</b>	The municipality will provide sustainable supply of quality potable water at the projected minimum service level to be defined. Promote healthy living and working environments
<b>Short Term Strategies (1-2 Years)</b>	To connect all households with prepaid water meters. To manage water supply and account for water losses. Provide all communities with basic higher sanitation.
<b>Medium Term Strategies (3-4 Years)</b>	Development and implementation of WSDP
<b>Long Term Strategies (5 Years)</b>	Development and implementation of WSDP

### Programme 7: Roads and Storm Water

<b>Programme/Function</b>	Roads and Storm Water
<b>Programme Objective Outcome</b>	Construct and maintain storm water systems including sealing of roads that meet minimum levels of service standards. Ensure 100% spending of MIG funds Provide quality of living human settlements with adequate infrastructure
<b>Short Term Strategies (1-2 Years)</b>	Develop Roads and storm water Master Plan Maintenance of existing road infrastructure. Paving of internal gravel roads.
<b>Medium Term Strategies (3-4 Years)</b>	Implement Develop Roads and storm water Master Plan
<b>Long Term Strategies (5 Years)</b>	Implement Develop Roads and storm water Master Plan

### Programme 8: Waste Management

<b>Programme/Function</b>	Waste Management
<b>Programme Objective Outcome</b>	To provide all communities with and effective waste collection and disposal management system that is environmentally compliant and raises public awareness about minimising waste generation and effective waste recycling. Promote healthy living and working environments.
<b>Short Term Strategies (1-2 Years)</b>	Review Integrated Waste Management Plan Audit waste collection methods and development of recycling strategy Maintain existing facilities Awareness campaigns
<b>Medium Term Strategies (3-4 Years)</b>	Establishment and formalization of landfill sites
<b>Long Term Strategies (5 Years)</b>	Minimise illegal dumping Maintain existing facilities Establishment and formalization of landfill sites

### Programme 9: Project Management

<b>Programme/Function</b>	Project Management
<b>Programme Objective Outcome</b>	Successful completion of specified projects to achieve goals and objectives. Promote growth and diversification of the local economy.
<b>Short Term Strategies (1-2 Years)</b>	Training of staff in Project Management Successful implementation of all Capital Projects within the parameters of budget time and specification
<b>Medium Term Strategies (3-4 Years)</b>	Continuous focus on project management
<b>Long Term Strategies (5 Years)</b>	Continuous focus on project management Create enabling environment to attract investment

### Programme 10: Sport and Recreation

<b>Programme/Function</b>	Sport Recreation
<b>Programme Objective Outcome</b>	Reduce social ills such as crime drug abuse social disorder teenage pregnancy as well as HIV/AIDS through the use of sports and recreation activities and the provision of adequate and accessible recreational facilities. Promote healthy living and working environments.

<b>Short Term Strategies (1-2 Years)</b>	Establish status quo on existing facilities Establish sport forums and federation to management sport infrastructure. Utilisation of 15% of MIG funds to support above.
<b>Medium Term Strategies (3-4 Years)</b>	Develop business plan to identify funding sources Utilisation of 15% of MIG funds to support above Maintenance and upgrading of new and existing facilities
<b>Long Term Strategies (5 Years)</b>	Maintenance and upgrading of new and existing facilities

### Programme 11: Health Services

<b>Programme/Function</b>	Health Services
<b>Programme Objective Outcome</b>	Construct and maintain storm water systems. Coordinate the provision of Health Services as facilitated through the provincial and district offices.
<b>Short Term Strategies (1-2 Years)</b>	Dialogue and report back to district municipality and sector department
<b>Medium Term Strategies (3-4 Years)</b>	Dialogue and report back to district municipality and sector department
<b>Long Term Strategies (5 Years)</b>	Dialogue and report back to district municipality and sector department

### Programme 12: Cemeteries

<b>Programme/Function</b>	Cemeteries
<b>Programme Objective Outcome</b>	The establishment and maintenance of cemeteries in accordance with applicable by-laws and legislation. Promote healthy living and working environments
<b>Short Term Strategies (1-2 Years)</b>	Develop Cemetery Master Plan Identification of suitable land for cemeteries
<b>Medium Term Strategies (3-4 Years)</b>	Develop Cemetery Master Plan Identification of suitable land for cemeteries
<b>Long Term Strategies (5 Years)</b>	Develop Cemetery Master Plan Identification of suitable land for cemeteries

### Programme 13: Fleet Management

<b>Programme/Function</b>	Fleet Management
<b>Programme Objective Outcome</b>	To ensure that processes and control are effectively managed
<b>Short Term Strategies (1-2 Years)</b>	Develop Fleet management Plan Employment of additional staff Secure adequate funding for replacement of ageing fleet
<b>Medium Term Strategies (3-4 Years)</b>	Implementation of Fleet Management Plan
<b>Long Term Strategies (5 Years)</b>	Implementation of Fleet Management Plan

#### Programme 14: Disaster Management

<b>Programme/Function</b>	Disaster Management
<b>Programme Objective Outcome</b>	To focus on ways and means to prevent and or mitigate the risks. To maximise preparedness for potential emergencies and disaster thus optimising the safe guarding of life and property. Promote healthy and working environments
<b>Short Term Strategies (1-2 Years)</b>	Capacity building
<b>Medium Term Strategies (3-4 Years)</b>	Revised Disaster Management Plan to include Climate Change
<b>Long Term Strategies (5 Years)</b>	Capacity building of communities

**Strategic Objective:** Promote recycling and renewable energy generation

To focus on ways and means to prevent and mitigate and or results of disasters and to maximize preparedness for potential for potential emergencies and disasters thus optimizing the safe guarding of life and property.

The National Development Plan, under its priority to transition to a low-carbon economy, it promotes that there is a need to move away from the unsustainable use of natural resources. It warns that changes in energy generation, water conservation and the uses of both are likely to be challenging and potentially disruptive for society and that competent institutions, innovative economic instruments, clear and consistent policies and an educated and understanding electorate will be required. Key proposals to support the transition to low-carbon economy include:

- Support for a carbon budgeting approach, linking social and economic considerations to carbon reduction targets
- Introducing an economy-wide price for carbon complemented by a range of programmes and incentives to raise energy efficiency and manage waste better
- A target of 5 million solar water heaters by 2030
- Building standards that promote energy efficiency
- Simplifying the regulatory regime to encourage renewable energy, regional hydroelectric initiatives and independent power producers



- Set of indicators for natural resources accompanied by publication of annual reports on health of identified resources to inform policy
- Target for the amount of land and ocean under protection
- Achieve the peak, plateau and decline trajectory for greenhouse gas emission with the peak being reached about 2025
- By 2030 an economy-wide carbon price should be entrenched
- Zero emission building standards by 2030
- Absolute reduction in total volume of waste disposed to landfill each year
- At least 20 000MW of renewable energy should be contracted by 2030
- Improved disaster preparedness for extreme climate events
- Increased investment in new agricultural technologies, research and the development of adaption strategies to protect rural livelihoods and expansion of commercial agriculture

**Strategic Objective:** Promote healthy living and working environments

National Outcome 10 promotes environmental assets and natural resources that are well protected and continually enhanced and the output of sustainable environmental management. This is to be achieved through solid waste management to ensure waste minimization, improved collection and disposal and recycling by ensuring that the percentage of households with basic waste collection and disposal facilities.

This goal responds to the institutional priority issue that relates to environmental management

The municipality should come up with innovative ways on how it can increase community awareness and participation in environmental management activities and initiatives. Especially in the light of the vision of the municipality focusing on agriculture and tourism, the municipality is rich in agriculture and has a wealth of culture and ecotourism focus points that should be protected to ensure future sustainability. A further critical aspect that needs to be addressed and/or avoided is unplanned development and informal settlements that put a strain on the sensitive environment in terms of debushing, erosion, fires, air-, water and ground pollution.

This advent therefore necessitates the need to identify and protect the environment. The municipality needs to develop an environmental management plan which ought to give rise to intensifying recycling initiatives. Lastly environmental by-laws with appropriate punitive mechanism and action plan need to be developed, promulgated and enforced to strengthen compliance thereof.

The outcome to be achieved through this goal is protected flora and fauna for sustainable ecotourism and agro-economy that will ultimately lead to a better quality life for the whole community. This means eradicating informal settlements, monitoring and managing environment. To achieve the outcome the following critical areas have been identified that should be prioritised and addressed through implementation of various projects:

## **Programme 15: Environmental Management**

<b>Programme/Function</b>	Environmental Management
<b>Programme Objective Outcome</b>	To ensure communities are contributing towards climate change. Promote healthy living and working environments
<b>Short Term Strategies (1-2 Years)</b>	Identification of suitable land for cemeteries Monitoring of water quality air quality management and indoor air quality
<b>Medium Term Strategies (3-4 Years)</b>	Hosting events on environmental issues Awareness campaigns on environmental issues
<b>Long Term Strategies (5 Years)</b>	Implementation of waste management programmes Identification of suitable land for cemeteries Monitoring of water quality air quality management and indoor air quality

#### Programme 16: Environmental Management

<b>Programme/Function</b>	Education and Libraries
<b>Programme Objective Outcome</b>	To ensure communities are contributing towards climate change. Promote healthy living and working environments
<b>Short Term Strategies (1-2 Years)</b>	Facilitate promotion of education upliftment within communities To provide ancillary educational support through the provision of library services to create a learning environment for the communities
<b>Medium Term Strategies (3-4 Years)</b>	Conduct status quo on existing library facilities Develop business plan on needs Dialogue with Provincial Department Sport Arts and Culture
<b>Long Term Strategies (5 Years)</b>	Circulate and update information Facilitate and monitor the needs of libraries

**Programme 17: Safety and Security**

<b>Programme/Function</b>	Safety and Security
<b>Programme Objective Outcome</b>	To ensure communities are contributing towards climate change. Promote healthy living and working environments
<b>Short Term Strategies (1-2 Years)</b>	Enforcement of all local by laws Skills and infrastructure development Co-operation with local SAPS to enforce by laws
<b>Medium Term Strategies (3-4 Years)</b>	Enforcement of all local by laws
<b>Long Term Strategies (5 Years)</b>	Enforcement of all local by laws

**5.4 KPA 2: LOCAL ECONOMIC DEVELOPMENT**

**Strategic Objective:** Promote growth and diversification of the local economy

Karoo Hoogland Local Municipality within the Namakwa District Municipality to generate a LED to ensure incorporation of the most recent development changes in the Local economy as well as the alignment with Provincial and National initiatives and to develop implementation plans. The LED study forms part of the IDP process and is one of the milestones toward achieving Local economic development within the Karoo Hoogland LM area. The purpose of the LED is for Karoo Hoogland Local Municipality to create the enabling environment to allow economic development to occur.

The National Development Plan aims for an economy that will create more jobs by:

- Realising an environment for sustainable employment and inclusive economic growth
- Promoting employment in labour-absorbing industries
- Raising exports and competitiveness
- Strengthening government capacity to give leadership to economic development
- Mobilising all sectors of society around a national vision it further aims to achieve the following targets by 2030:

**It further aims to achieve the following targets by 2030:**

- Unemployment rate should fall to 14% by 2020 and 6% by 2030 requiring an additional 11 million jobs
- Proportion of adults should increase from 41% to 61%
- Proportion of adults in rural areas working should rise from 29% to 40%
- Labour force participation should rise from 54% to 65%
- Gross Domestic Product (GDP) should increase by 2.7 times in real times
- Proportion of national income earned by the bottom 40% should rise from about 6% to 10% in 2030
- Broad ownership of assets by historical disadvantage groups to increase

- Public employment programmes should reach 1 million by 2015 and 2 million by 2030

The NDP further aims to have an inclusive and integrated rural economy it is envisaged that by 2030 South Africa rural communities should have greater opportunities to participate fully in the economic social and political life of the country. A million jobs to be created through agriculture development based on effective land reform and the growth of irrigated agriculture and land production. The focus is also on basic service that enable people to develop the capabilities they need to take advantage of economic opportunities throughout the country and contribute to the development of their communities through remittance and the transfer of skills. Food security and the empowerment of farm workers is also a priority. Industries tourism and small enterprises should be developed where potential exist.

National Outcome 4 and 7 relate to decent employment through inclusive economic growth and vibrant equitable and sustainable rural communities with food security for all. The outputs of these tow outcomes refer to the implementation of community works programmes.

Karoo Hoogland Municipality strives towards contributing to the priorities set out in the NDP and National Outcomes through the implementation of the goal: Inclusive growing economy.

### **This goal responds to priority issue that relates to economic growth**

Karoo Hoogland Municipality seeks to compile programmes and formulate policies and by-laws that encourage entrepreneurship and thereby monitor evaluate performance of the local economy and investment trends. Project designs should include labour intensive methods and identify opportunity areas and expose SMME's to incubation projects which will stimulate development and thereby enhance job creation. Through the aforementioned initiatives the municipality strives to reduce the unemployment rate.

Existing policies should be reviewed or new policies develop to become more enabling and focussed on establishment of partnerships and networks that will enhance the SMME value chain.

### **Critical areas the following actions were undertaken to prepare the LED:**

- Updated socio-economic and demographic information for the Karoo Hoogland Local Municipality through the use of secondary information (existing data bases)
- To take Undertake an in-depth analysis of the real (but latent) development opportunities in the key economic sectors in the study area
- Capacity building of Local LED officials
- Identify practical sectoral programmes that could be used as basis for pro-active economic development initiatives
- Undertake focused analysis of key sectors taking cognizance of the first and second economy constraints and opportunities

- To promote an inclusive, participatory process that integrates strategic planning, community participation, sustainability and good decision making with Local economic development
- Emphasise Local job creation, alleviation of poverty and redistribution of opportunities and wealth

### **Programme 18: Economic Growth and Development**

<b>Programme/Function</b>	Economic Growth and Development
<b>Programme Objective Outcome</b>	Promote growth and diversification of the local economy.
<b>Short Term Strategies (1-2 Years)</b>	Create conducive condition for economic growth and job creation
<b>Medium Term Strategies (3-4 Years)</b>	Investment attraction and retention
<b>Long Term Strategies (5 Years)</b>	Sustainable economic development and job security

### **Programme 19: Extended Public Works Programme (EPWP)**

<b>Programme/Function</b>	Extended Public Works Programme
<b>Programme Objective Outcome</b>	Promote skilled labour force for improved job creation.
<b>Short Term Strategies (1-2 Years)</b>	Ensure that the procurement process recognizes the role of awarding tenders to contractors who employ or sub contract work to emerging SMME's
<b>Medium Term Strategies (3-4 Years)</b>	Ensure that the procurement process recognizes the role of awarding tenders to contractors who employ or sub contract work to emerging SMME's
<b>Long Term Strategies (5 Years)</b>	Ensure that the procurement process recognizes the role of awarding tenders to contractors who employ or sub contract work to emerging SMME's

## **5.5 KPA 3 FINANCIAL VIABILITY**

**Strategic Objective:** Ensure responsive and accountable governance

This goal relates directly to the National Outcome 9 which is: A responsive, accountable, effective and efficient local government system. Under this outcome, outputs 1 and 6: Administrative and financial capability as well as Implement a differentiated approach to municipal financing, planning and support relate directly to the goal under discussion. The following sub-outputs are advocated:

- The average monthly collection rate on billings to rise
- The percentage of municipalities with debtors more than 50% of own revenue to be reduced from 24% to 12%
- The percentage of municipalities that are overspending on opex to improve from 8% to 4%
- The percentage of municipalities under-spending on capex to be reduced from 63% to 30%
- The percentage of municipalities spending less than 5% of opex on repairs and maintenance to be reduced from 92% to 45%
- Improve national and provincial policy, support and oversight to local government
- The percentage of municipalities that are overspending on OPEX to improve from 8% to 4%
- The percentage of municipalities spending less than 5% of opex on repairs and maintenance to be reduced from 92% to 45%
- The percentage of municipalities under-spending on capex to be reduced from 63% to 30%

As indicated previously, the NDP states that to grow faster and in a more inclusive manner, the country needs a higher level of capital spending in general and public investment in particular.

This goal responds to the institutional priority issue that relates to revenue enhancement.

The municipality needs to increase revenue generation to ensure sufficient funds are available to invest into projects for the communities. The municipality must be able to pay commitments and have sufficient reserves and investments. The intention is for the municipality to become less grant dependent and be in a financial position to fund infrastructure projects from own funds.

The outcome to be achieved through this goal is financial viability and a prosperous institution through increased generation of own revenue and to ensure sufficient reserves for investment into communities. Financial viability will also ensure reduced grant dependency. This means to become self-sustainable in terms of increased revenue collection and sustained service delivery.

To achieve the outcome the following critical projects have been identified:

**Critical areas** data cleansing, smart metering, community based waste management, Masakane campaigns, disposal of non-utilised immovable assets.

**Programme 20: Legislative Compliance**

<b>Programme/Function</b>	Legislative compliance
<b>Programme Objective Outcome</b>	Ensure responsive and accountable governance
<b>Short Term Strategies (1-2 Years)</b>	Retain qualified and competent staff Regularly review legislative amendments and update policies procedures accordingly Maintain processes and procedures currently in operation
<b>Medium Term Strategies (3-4 Years)</b>	Retain qualified and competent staff Regularly review legislative amendments and update policies procedures accordingly Maintain processes and procedures currently in operation
<b>Long Term Strategies (5 Years)</b>	Retain qualified and competent staff Regularly review legislative amendments and update policies procedures accordingly Maintain processes and procedures currently in operation

**Programme 21: Financial Management**

<b>Programme/Function</b>	Financial Management
<b>Programme Objective Outcome</b>	Improve financial sustainability. To implement sound financial management
<b>Short Term Strategies (1-2 Years)</b>	Obtain a Clean Audit opinion from the AG Resolve all financial issues raised in internal and external audit action plans. Rotation of suppliers in supplier database Retention of qualified competent staff
<b>Medium Term Strategies (3-4 Years)</b>	Obtain a Clean Audit opinion from the AG Resolve all financial issues raised in internal and external audit action plans. Rotation of suppliers in supplier database Retention of qualified competent staff
<b>Long Term Strategies (5 Years)</b>	Obtain a Clean Audit opinion from the AG Resolve all financial issues raised in internal and external audit action plans. Rotation of suppliers in supplier database Retention of qualified competent staff

## Programme 22: Revenue

<b>Programme/Function</b>	<b>Revenue</b>
<b>Programme Objective Outcome</b>	Improve financial sustainability. To implement sound financial management
<b>Short Term Strategies (1-2 Years)</b>	Develop revenue enhancement strategy To implement data cleansing processes to ensure revenue database is accurate Enforce debt control policies and procedures. Reduction of illegal connections Introduction of prepaid vending machines linked to debtor's book.
<b>Medium Term Strategies (3-4 Years)</b>	Develop revenue enhancement strategy To implement data cleansing processes to ensure revenue database is accurate Enforce debt control policies and procedures. Reduction of illegal connections Introduction of prepaid vending machines linked to debtor's book.
<b>Long Term Strategies (5 Years)</b>	Develop revenue enhancement strategy To implement data cleansing processes to ensure revenue database is accurate Enforce debt control policies and procedures. Reduction of illegal connections Introduction of prepaid vending machines linked to debtor's book.

## Programme 23: Expenditure

<b>Programme/Function</b>	<b>Expenditure</b>
<b>Programme Objective Outcome</b>	Improve financial sustainability. To implement sound financial management
<b>Short Term Strategies (1-2 Years)</b>	Implementation of proper documents management system Provision of Data management Compliance to internal financial controls financial processes by user departments
<b>Medium Term Strategies (3-4 Years)</b>	Implementation of proper documents management system Provision of Data management



	Compliance to internal financial controls financial processes by user departments
<b>Long Term Strategies (5 Years)</b>	Implementation of proper documents management system Provision of Data management Compliance to internal financial controls financial processes by user departments

**Programme 24: SCM**

<b>Programme/Function</b>	Supply Chain Management
<b>Programme Objective Outcome</b>	Improve financial sustainability.
<b>Short Term Strategies (1-2 Years)</b>	Implementation of documented departmental procurement Compliance with supply chain management acts and regulations Implementation of proper documents management system Compliance with asset management policy
<b>Medium Term Strategies (3-4 Years)</b>	Introduction of the system where prospective supplier database is rotated Implementation of documented departmental procurement Compliance with supply chain management acts and regulations Implementation of proper documents management system Compliance with asset management policy
<b>Long Term Strategies (5 Years)</b>	Implementation of documented departmental procurement Compliance with supply chain management acts and regulations Implementation of proper documents management system Compliance with asset management policy

**Programme 25: INDIGENTS**

<b>Programme/Function</b>	Indigents
<b>Programme Objective Outcome</b>	Improve financial sustainability
<b>Short Term Strategies (1-2 Years)</b>	To ensure qualifying indigents beneficiaries are registered to obtain free basic services Re-validation of the registered indigents

	Conduct awareness campaigns on indigents benefits
<b>Medium Term Strategies (3-4 Years)</b>	Re-validation of the registered indigents
<b>Long Term Strategies (5 Years)</b>	Re-validation of the registered indigents

## **KPA 4: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT**

**Strategic Objective:** Promote improved skills through education and training

Reintegrate Region from edge to frontier

The NDP priority of Building a capable and developmental State advocates the following:

- A state that is capable of playing a developmental and transformative role.
- A public service immersed in the development agenda but insulated from undue political interference
- Staff at all levels has the authority, experience, competence and support they need to do their jobs
- Relations between national, provincial and local government are improved through a more proactive approach to managing the intergovernmental system
- Clear governance structures and stable leadership enable state-owned enterprises (SOEs) to achieve their developmental potential

National Outcome 12 that deals with an efficient and development oriented public service targets the following outputs:

- Business processes, systems, decision rights and accountability management
- The institutional capacity and effectiveness of municipalities is increased
- Clean, Responsive and Accountable Administration

This goal responds to the institutional priority issues that relate to filling of critical vacancies and training and development that will ensure a responsive and performing workforce and resources that will create a customer-focused, friendly and helpful working environment. The municipality must attract and retain skilled personnel and provide WSP & skills audit related training in support of the strategic intent of the municipality.

The outcome to be achieved through this goal is an efficient workforce. This means to leverage the municipality's staff capacity to drive efficiency and effectiveness.

To achieve the outcome the following critical areas have been identified:

**Critical area** is the implementation of the Performance Management System.

**Programme 26: ICT**

<b>Programme/Function</b>	ICT
<b>Programme Objective Outcome</b>	Reintegrate Region from edge to frontier
<b>Short Term Strategies (1-2 Years)</b>	Maintain software and hardware to keep abreast with developing technology Investigate implementation of disaster recovery plan
<b>Medium Term Strategies (3-4 Years)</b>	Maintain software and hardware to keep abreast with developing technology
<b>Long Term Strategies (5 Years)</b>	Maintain software and hardware to keep abreast with developing technology

**Programme 27: Organisational Development**

<b>Programme/Function</b>	Organisational Development
<b>Programme Objective Outcome</b>	Promote improved skills through education and training
<b>Short Term Strategies (1-2 Years)</b>	Review the organisational structure and ensure alignment to IDP and organisational needs Improve WSP and to train and capacitated staff Conduct an employee satisfaction survey Develop employee retention strategy Review and update Employment equity plan
<b>Medium Term Strategies (3-4 Years)</b>	Review the organisational structure and ensure alignment to IDP and organisational needs Maintain employee related strategies Implementation of employment equity targets
<b>Long Term Strategies (5 Years)</b>	Review the organisational structure and ensure alignment to IDP and organisational needs

**Programme 28: Performance Management**

<b>Programme/Function</b>	Performance Management
<b>Programme Objective Outcome</b>	Promote improved skills through education and training.

<b>Short Term Strategies (1-2 Years)</b>	Monitoring and evaluation of the organisations implementation of its strategic objectives programmes and projects in line with the approved IDP through the SDBIP Compliance to all relevant legislation and the municipal PMS framework Capacitation of all staff members in terms of PMS Implementation of the automated performance management system
<b>Medium Term Strategies (3-4 Years)</b>	Cascading of individual performance management to all staff members
<b>Long Term Strategies (5 Years)</b>	Effective and efficient performance management system for the benefit of optimizing organisational performance and improved service delivery

### Programme 29: Work place Health and Safety

<b>Programme/Function</b>	Work place Health and Safety
<b>Programme Objective Outcome</b>	Promote social cohesion through economical social development
<b>Short Term Strategies (1-2 Years)</b>	To improve the health and safety of the employees in compliance with SHE ACT Appointment of safety officer Establish status quo i.t.o municipality health and safety plan Development of health and safety policy
<b>Medium Term Strategies (3-4 Years)</b>	Ensure that health and safety programme is sustained Employment assistance programme
<b>Long Term Strategies (5 Years)</b>	Ensure that health and safety programme is sustained Employment assistance programme

### Programme 30: Labour Relations

<b>Programme/Function</b>	Labour Relations
<b>Programme Objective Outcome</b>	Promote improved skills through education and training.
<b>Short Term Strategies (1-2 Years)</b>	To conduct training workshops on internal labour policies Follow up on quarterly LLF meetings

<b>Medium Term Strategies (3-4 Years)</b>	Maintain sound and effective labour practise and stability
<b>Long Term Strategies (5 Years)</b>	Review and monitoring of the labour policies and acts

## 5.6 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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**Strategic Objective:** Ensure an informed and participative citizenry

Related to this goal are the following NDP priorities:

- Reforming the public service
- Fighting corruption
- Transforming society and uniting the country

In light of the abovementioned priorities, the NDP states that a plan is only as credible as its delivery mechanism is viable. A capable state is an essential precondition for South Africa's development. A capable state does not materialise by decree, nor can it be legislated or created from conference resolutions. It has to be painstakingly built, brick by brick, institution by institution, and sustained and rejuvenated over time. It requires leadership, sound policies, skilled managers and workers, clear lines of accountability, appropriate systems and consistent and fair application of rules.

High corruption levels frustrate society's ability to operate fairly and efficiently and the state's ability to deliver on its development mandate. Political will is essential to combat the scourge of corruption. The fight against corruption has to be fought on three fronts: deterrence, prevention and education. Deterrence helps people understand that they are likely to be caught and punished. Prevention is about systems information, audit and so on) to make it hard to engage in corrupt acts. The social dimension of corruption can only be tackled by focussing on values, through educations. International experience shows that with political will and sustained application of the right strategies, corruption can be significantly reduced and public trust restored.

National Outcome 12 that deals with an efficient and development oriented public service targets the following outputs:

- Business processes, systems, decision rights and accountability management
- The institutional capacity and effectiveness of municipalities is increased
- Clean, Responsive and Accountable Administration

This goal responds to the institutional priority issue that relates to internal controls.

The municipality aims to strengthen and effectively manage their systems and procedures to ensure sound governance practices are adhered to. This ought to begin with the need

to ensure the full functionality of ward committee and public participation systems to enhance democratic governance. These will give rise to the need to maximise organisational excellence and provide accountability to the community of municipality.

The outcome to be achieved through this goal is public confidence through an unqualified audit opinion. This means to be an organisation that practices responsible, accountable, effective and efficient corporate governance.

Critical areas reviewed and launch service delivery standards, public participation and communication strategy GIS linked to customer care system.

Sound institutional governance will serve as an internal control system encompassing legislation procedures and people and address the expectations of all stakeholders by directing and controlling management activities with good systems and processes.

**Critical areas Services** and construction of BMG projects in Climate Change safe locations

Improvement of social well-being entails a whole spectrum of services – health, education, libraries, safety and security, including community and road safety. The NDP states that when people feel unsafe it makes it harder for them to develop their capabilities, pursue their personal goals and to take part in social and economic activities. South Africans need to feel safe everywhere and have confidence in the criminal justice system to protect them and to act speedily and effectively when required to do so.

By 2030 people should feel safe and have no fear of crime. They should feel safe at home, at school and at work, and they must enjoy an active community life free of fear. Women can walk freely in the street and the children can play safely outside. The police service is a well-resourced professional institution staffed by highly skilled officers who value their works, serve the community, safeguard lives and property without discrimination, protect the peaceful against violence, and respect the rights of all to equality and justice.

**On the priority of health care for all, the NDP targets the following:**

- Increase average male and female life expectancy at birth to 70 years
- Progressively improve TB prevention and cure
- Reduce maternal, infant and child mortality
- Significantly reduce prevalence of non-communicable chronic diseases
- Reduce injury, accidents and violence by 50 percent from 2010 levels
- Deploy primary healthcare teams provide care to families and communities
- Everyone must have access to an equal standard of care, regardless of their income
- Fill posts with skilled, committed and competent individuals

**In improving education, training and innovation, the NDP targets the following:**

- All children should have at least two years pre-school education
- About 90% of learners in grades 3, 6 & 9 must achieve 50% or more in the annual national assessments in literacy, maths and science

- Between 80 – 90% of learners should complete 12 years of schooling and or vocational education with at least 80% successfully passing the exit exams
- Eradicate infrastructure backlogs to ensure that all schools meet the minimum standards by 2016
- Expand the college system with a focus on improved quality
- Provide 1 million learning opportunities through Community Education and Training Centres
- Improve the throughput rate to 80% by 2030
- Produce 30 000 artisans per year
- Increase enrolment at universities by at least 70% by 2030
- Increase the number of students eligible to study towards maths- and science-based degrees to 450 000 by 2030
- Increase the percentage of PhD qualified staff in the higher education sector from the current 34% to over 75% by 2030
- Produce more than 100 doctoral graduates per million per year by 2030
- Expand science, technology and innovation outputs by increasing research and development spending by government and through encouraging industry to do so

### Programme 31: Good Governance

<b>Programme/Function</b>	Good Governance and Oversight
<b>Programme Objective Outcome</b>	Ensure an informed and participative citizenry
<b>Short Term Strategies (1-2 Years)</b>	Develop sound business processes policies systems and accountable management Capacitate all levels of management in sound governance practise Implement effective risk management and internal audit systems
<b>Medium Term Strategies (3-4 Years)</b>	Ensure that health and safety programme is sustained Employment assistance programme
<b>Long Term Strategies (5 Years)</b>	Ensure that health and safety programme is sustained Employment assistance programme

### Programme 32: Community Participation

<b>Programme/Function</b>	Community Participation
<b>Programme Objective Outcome</b>	Ensure an informed and participative citizenry
<b>Short Term Strategies (1-2 Years)</b>	The establishment of effective Ward Committee's Capacitate Ward Committee members Implement quarterly Ward operational plans

	<p>Ensure that monthly ward committee meetings are held</p> <p>Ensure councillor participation at all meetings</p>
<b>Medium Term Strategies (3-4 Years)</b>	<p>Capacitate Ward committee members</p> <p>Maintain quarterly Ward operational plans</p> <p>Ensure that monthly ward committee meetings are held as scheduled</p>
<b>Long Term Strategies (5 Years)</b>	<p>Capacitate Ward committee members</p> <p>Maintain quarterly Ward operational plans</p> <p>Ensure that monthly ward committee meetings are held as scheduled</p>

### Programme 33: IDP Development

<b>Programme/Function</b>	IDP Development
<b>Programme Objective Outcome</b>	Ensure an informed and participative citizenry
<b>Short Term Strategies (1-2 Years)</b>	<p>Ensure that all phases of the development of the IDP as legislated are compiled</p> <p>Ensure alignment of IDP and Budget</p> <p>Review IDP annually taking cognizance of budget and internal external factors according to approved process plan</p> <p>Ensure that the strategic mandate intent of the IDP is effectively delivered through the mechanism of the SDBIP</p> <p>Effective communication to the community through Ward committee participation</p>
<b>Medium Term Strategies (3-4 Years)</b>	<p>Ensure that all phases of the development of the IDP as legislated are compiled</p> <p>Ensure alignment of IDP and Budget</p> <p>Review IDP annually taking cognizance of budget and internal external factors according to approved process plan</p> <p>Ensure that the strategic mandate intent of the IDP is effectively delivered through the mechanism of the SDBIP</p> <p>Effective communication to the community through Ward committee participation</p>
<b>Long Term Strategies (5 Years)</b>	<p>Ensure that all phases of the development of the IDP as legislated are compiled</p> <p>Ensure alignment of IDP and Budget</p> <p>Review IDP annually taking cognizance of budget and internal external factors according to approved process plan</p>



	Ensure that the strategic mandate intent of the IDP is effectively delivered through the mechanism of the SDBIP Effective communication to the community through Ward committee participation
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### Programme 34: Customer and Stakeholders Relationship Management

Programme/Function	Customer/Stakeholder Relationship Management
Programme Objective Outcome	Ensure an informed and participative citizenry
Short Term Strategies (1-2 Years)	Establish effective Ward Committee Structure Train all employees on the principles Batho Pele Establish a Customer Relations Ensure effective communication channels using all available mediums Conduct both employee customer satisfaction surveys per year
Medium Term Strategies (3-4 Years)	Establish effective Ward Committee Structure Train all employees on the principles Batho Pele Establish a Customer Relations Ensure effective communication channels using all available mediums Conduct both employee customer satisfaction surveys per year
Long Term Strategies (5 Years)	Establish effective Ward Committee Structure Train all employees on the principles Batho Pele Establish a Customer Relations Ensure effective communication channels using all available mediums Conduct both employee customer satisfaction surveys per year

### Programme 35: Risk Management

Programme/Function	Risk Management
Programme Objective Outcome	Ensure an informed and participative citizenry

<b>Short Term Strategies (1-2 Years)</b>	Development implementation and assessment of municipal risk register Capacitate municipal staff on risk Resolving identified risk Review effectiveness of risk management processes Enforce policies and procedures
<b>Medium Term Strategies (3-4 Years)</b>	Development implementation and assessment of municipal risk register Capacitate municipal staff on risk Resolving identified risk Review effectiveness of risk management processes Enforce policies and procedures
<b>Long Term Strategies (5 Years)</b>	Development implementation and assessment of municipal risk register Capacitate municipal staff on risk Resolving identified risk Review effectiveness of risk management processes Enforce policies and procedures

**Programme 36: Audit**

<b>Programme/Function</b>	Audit
<b>Programme Objective Outcome</b>	Ensure an informed and participative citizenry
<b>Short Term Strategies (1-2 Years)</b>	Capacitate internal audit Implement of Internal Audit and Auditor General recommendations Effective implantation of risk based audit plan
<b>Medium Term Strategies (3-4 Years)</b>	Functional internal audit system Fully capacitated internal audit
<b>Long Term Strategies (5 Years)</b>	Effective internal controls risk management and governance

## CHAPTER SIX: PROJECTS

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After considering the appropriate strategies the Municipality needed to consider the best way to implement these strategies. This was done through the identification and designing of projects. Projects that was identified but not completed in the previous IDP cycle were also included if they were still relevant to address an identified priority area. Uniform expenditure classifications have already been established and implemented for national and provincial government departments.

Take note that from project list it is important to emphasize that from project 6.12 its not projects that are funded by MIG and awaits registration for funding and implementation.

Below is the budget and funded capital project for the 2018-2019 financial year this is done with accordance to the new MSCOA regulations for municipalities

DESCRIPTION LEDGER VOTE 0020	BUDGET 2017/2018	FULL YEAR FORECAST	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021	GRAP CLASSIFICATION
<b>FINANCE INCOME</b>						
Cash Surplus	(1 000,00)	(1 429,15)	(1 500,00)	(1 600,00)	(1 700,00)	Other revenue
Financial Management Grant	(1 900 000,00)	(1 900 000,00)	(1 970 000,00)	(2 435 000,00)	(2 867 000,00)	Transfers recognised - operational
Interest Levied: Other	(3 000,00)	(3 396,00)	(3 600,00)	(3 800,00)	(4 000,00)	Interest earned - outstanding debtors
Interest Received	(299 900,00)	(351 531,43)	(403 000,00)	(393 500,00)	(415 200,00)	Interest earned - external investment
Natis Commission Receive	-	(277 302,00)	(294 000,00)	(310 200,00)	(327 300,00)	Agency services
Salary Deduction Commission	(10 000,00)	(8 574,00)	(9 000,00)	(9 500,00)	(10 000,00)	Other revenue
SARS Revenue on VAT	(1 498 000,00)	(1 875 612,00)	(2 800 000,00)	(2 100 000,00)	(1 670 000,00)	Other revenue
Sundry Income	(8 700,00)	(12 731,00)	(24 800,00)	(14 500,00)	(15 300,00)	Other revenue
Telephone & Fax Fees	(2 100,00)	(1 830,00)	(2 000,00)	(2 100,00)	(2 200,00)	Other revenue
<b>Total Operating Income</b>	<b>(3 722 700,00)</b>	<b>(4 432 405,58)</b>	<b>(5 507 900,00)</b>	<b>(5 270 200,00)</b>	<b>(5 312 700,00)</b>	

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

<b>FINANCE EXPENDITURE</b>		-	-			
Audit: Committee	73 100,00	73 100,00	74 000,00	78 000,00	83 000,00	Other expenditure
Audit: External	2 160 000,00	2 171 512,00	2 160 000,00	2 278 800,00	2 716 000,00	Other expenditure
Audit: Internal	221 000,00	49 615,00	-	-	-	Other expenditure
Bank Charges	272 000,00	307 019,00	326 000,00	344 000,00	363 000,00	Other expenditure
Collections Costs	12 000,00	9 146,23	11 000,00	11 600,00	12 300,00	Other expenditure
Computer Licence Other Software	30 000,00	18 900,00	30 000,00	30 000,00	32 000,00	Other expenditure
Computer Upgrading	21 000,00	13 136,98	15 000,00	15 800,00	16 700,00	Other expenditure
Consultant fees: Actuarial Valuations	19 000,00	19 000,00	21 000,00	22 200,00	23 500,00	Other expenditure
Consultant fees: AFS Support	226 000,00	226 000,00	242 000,00	255 000,00	270 000,00	Other expenditure
Consultant fees: Asset Register	630 000,00	630 000,00	630 000,00	665 000,00	701 000,00	Other expenditure
Consultant fees: mSCOA	1 130 000,00	1 670 000,00	1 600 000,00	800 000,00	600 000,00	Other expenditure
Consultant fees: Webpage hosting	8 400,00	8 400,00	9 000,00	9 500,00	10 000,00	Other expenditure
Contributed: PPE Laptops	-	-	27 000,00	9 000,00	18 000,00	Other expenditure
Employee RC: Accomodation Costs	36 800,00	34 960,00	133 200,00	73 200,00	75 000,00	Employee related cost
Employee RC: Bargaining Council levies	1 700,00	1 619,00	2 200,00	2 300,00	2 400,00	Employee related cost
Employee RC: Bonusses	416 000,00	412 113,96	562 600,00	593 600,00	626 300,00	Employee related cost
Employee RC: Cell Phone Allowance	16 200,00	16 200,00	30 000,00	31 600,00	33 400,00	Employee related cost
Employee RC: Housing Subsidy	8 400,00	8 400,00	4 300,00	4 300,00	4 300,00	Employee related cost
Employee RC: Pensionfund	39 900,00	88 179,00	105 000,00	110 800,00	116 900,00	Employee related cost
Employee RC: Salaries	6 230 000,00	6 119 877,19	6 956 800,00	7 445 000,00	7 855 000,00	Employee related cost
Employee RC: Subsistence	16 700,00	15 814,67	63 200,00	24 200,00	25 000,00	Employee related cost
Employee RC: Travelling Cost	110 800,00	88 876,43	90 000,00	95 000,00	100 200,00	Employee related cost
Employee RC: UIF	27 600,00	26 189,54	29 600,00	31 200,00	32 900,00	Employee related cost
Entertainment/Refreshments Costs	2 000,00	-	2 000,00	2 000,00	2 000,00	Other expenditure
Finance Lease Copier Usage	87 000,00	65 850,00	70 400,00	66 400,00	70 000,00	Other expenditure
Finance Lease External - Capital	148 000,00	144 371,00	154 000,00	158 000,00	162 000,00	Other expenditure
Finance Lease External - Interest	119 000,00	118 122,00	124 900,00	120 900,00	116 900,00	Finance Charges
Fuel and Lubricants	-	-	30 000,00	31 700,00	33 500,00	Other expenditure
Employee RC: Leave Gratification Expense	90 000,00	61 592,09	91 000,00	96 000,00	101 300,00	Employee related cost
LG SETA Skills development	-	53 916,57	70 600,00	74 500,00	78 600,00	Other expenditure
Employee RC: Long Service Award Expense	30 000,00	24 125,37	30 000,00	31 700,00	33 500,00	Employee related cost
Maintenance: Computer Hardware	15 000,00	-	10 000,00	10 500,00	11 000,00	Other expenditure

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

Financial Statement Description	2017/18	2018/19	2019/20	2020/21	2021/22	Financial Statement Description
Maintenance: Photocopiers	62 000,00	31 514,63	34 000,00	35 800,00	37 800,00	Other expenditure
Postage Money Paid	192 000,00	174 562,32	202 000,00	213 100,00	224 900,00	Other expenditure
Postal Bag Rent	2 300,00	2 459,00	3 000,00	3 200,00	3 400,00	Other expenditure
Seбата: Cloud	91 500,00	94 050,00	99 700,00	105 200,00	111 000,00	Other expenditure
Seбата: Connect Attix 5	31 700,00	29 568,00	31 400,00	33 200,00	35 100,00	Other expenditure
Seбата: Connect MPLS	401 900,00	374 670,00	398 000,00	419 900,00	443 000,00	Other expenditure
Seбата: EMS Licence Fees	275 000,00	274 896,00	291 400,00	307 500,00	324 500,00	Other expenditure
Seбата: Offsite Backup	84 000,00	82 153,64	86 900,00	91 600,00	97 000,00	Other expenditure
Seбата: PBX	117 000,00	108 744,00	115 300,00	121 700,00	128 400,00	Other expenditure
Seбата: PBX Monthly Calls	-	20 178,00	21 400,00	22 600,00	23 900,00	Other expenditure
Employee RC: Skills Development	62 300,00	-	-	-	-	Other expenditure
Stationary	150 000,00	139 854,26	165 000,00	174 100,00	183 600,00	Other expenditure
System Access and Information Fees	-	20 240,00	21 600,00	22 800,00	24 100,00	Other expenditure
Telephone Expenses	102 000,00	127 154,69	135 000,00	142 400,00	150 200,00	Other expenditure
<b>Total Operating Expenditure</b>	<b>13 769 300,00</b>	<b>13 956 086,57</b>	<b>15 309 500,00</b>	<b>15 214 900,00</b>	<b>16 112 600,00</b>	
<b>(Surplus)/ Deficit</b>	<b>10 046 600,00</b>	<b>9 523 680,99</b>	<b>9 801 600,00</b>	<b>9 944 700,00</b>	<b>10 799 900,00</b>	

REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66

DESCRIPTION LEDGER VOTE 0002	1					GRAP CLASSIFICATION
	BUDGET 2017/2018	FULL YEAR FORECAST	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021	
<b>COUNCIL GENERAL INCOME</b>						
Equitable Share	(1 819 800,00)	(1 819 800,00)	(2 025 100,00)	(2 223 300,00)	(2 417 900,00)	Transfers recognised – operational
Insurance Claims Recieved		(17 183,00)	(18 200,00)	(19 200,00)	(20 300,00)	Other revenue
Overpayment collection	(6 000,00)	(6 000,00)	(6 000,00)	(6 000,00)	(6 000,00)	Other revenue
Traffic Fines	(5 100,00)	(8 920,00)	(10 000,00)	(10 600,00)	(11 200,00)	Fines
<b>Total Operating Income</b>	<b>(1 830 900,00)</b>	<b>(1 851 903,00)</b>	<b>(2 059 300,00)</b>	<b>(2 259 100,00)</b>	<b>(2 455 400,00)</b>	
<b>COUNCIL GENERAL EXPENDITURE</b>						
Employee RC: Accomodation: Workshops,Council	51 000,00	38 916,00	49 000,00	51 700,00	54 200,00	Employee related cost
Community Participation	50 000,00	34 615,22	40 000,00	42 200,00	44 500,00	Other expenditure
Councillors: Allowances	2 200 000,00	1 929 518,66	2 115 200,00	2 230 600,00	2 357 100,00	Remuneration of councillors
Councillors: Cellphone Allowances	159 800,00	184 660,00	291 400,00	291 400,00	291 400,00	Remuneration of councillors
Councillors: Datacard Allowances	25 200,00	-	25 800,00	25 800,00	25 800,00	Remuneration of councillors
Councillors: Travel Allowances	228 000,00	221 893,31	236 000,00	250 000,00	260 000,00	Remuneration of councillors
Donations: Fraserburg Logan Festival	20 000,00	20 000,00	20 000,00	20 000,00	20 000,00	Other expenditure
Donations: Organised Agriculture	45 000,00	21 205,00	30 000,00	30 000,00	30 000,00	Other expenditure
Donations: Schools	24 000,00	24 000,00	24 000,00	24 000,00	24 000,00	Other expenditure
Donations: Sutherland Festival	20 000,00	-	20 000,00	20 000,00	20 000,00	Other expenditure
Donations: Williston Show	10 000,00	10 000,00	20 000,00	20 000,00	20 000,00	Other expenditure
Donations: Williston Winter festival	20 000,00	20 000,00	20 000,00	20 000,00	20 000,00	Other expenditure
Donations: Churches	-	-	2 000,00	2 000,00	2 000,00	Other expenditure
Donations: KHM LFA	-	-	4 000,00	4 000,00	4 000,00	Other expenditure
Donations: Schools Sports	-	-	6 000,00	6 000,00	6 000,00	Other expenditure
Employee RC: Bargaining Council levies	-	84,00	100,00	200,00	200,00	Employee related cost
Employee RC: Salaries	-	129 815,26	153 300,00	161 800,00	170 700,00	Employee related cost
Employee RC: Subsistence	21 500,00	24 180,00	25 800,00	27 200,00	28 900,00	Employee related cost
Employee RC: Travelling Cost	144 500,00	113 824,96	117 000,00	123 400,00	130 200,00	Employee related cost

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Employee RC: Travelling Cost	144 500,00	113 824,96	117 000,00	123 400,00	130 200,00	Employee related cost
Employee RC: UIF	-		1 500,00	1 600,00	1 700,00	Employee related cost
Entertainment/Refreshments Costs	4 000,00	3 956,23	4 000,00	4 000,00	4 000,00	Other expenditure
Insurance	270 000,00	269 515,00	288 000,00	303 800,00	320 500,00	Other expenditure
LG SETA Skills development	-		25 200,00	26 600,00	28 100,00	Other expenditure
Mayoral Projects: 16 Days of Activism	3 500,00	4 147,00	3 500,00	3 500,00	3 500,00	Other expenditure
Mayoral Projects: Back to School	3 500,00	3 000,00	3 500,00	3 500,00	3 500,00	Other expenditure
Mayoral Projects: Freedom Month	3 500,00	2 986,00	3 500,00	3 500,00	3 500,00	Other expenditure
Mayoral Projects: HIV Month	3 500,00	4 129,00	3 500,00	3 500,00	3 500,00	Other expenditure
Mayoral Projects: Human Rights Month	3 500,00	-	3 500,00	3 500,00	3 500,00	Other expenditure
Mayoral Projects: Mandela Day	3 500,00	2 695,00	3 500,00	3 500,00	3 500,00	Other expenditure
Mayoral Projects: Social Development	3 500,00	-	3 500,00	3 500,00	3 500,00	Other expenditure
Mayoral Projects: SoNA of Provinces	3 500,00	4 457,00	3 500,00	3 500,00	3 500,00	Other expenditure
Mayoral Projects: Tourism Month	3 500,00	3 000,00	3 500,00	3 500,00	3 500,00	Other expenditure
Mayoral Projects: Womens Month	3 500,00	1 689,00	3 500,00	3 500,00	3 500,00	Other expenditure
Mayoral Projects: Workers Month	3 500,00	2 456,31	3 500,00	3 500,00	3 500,00	Other expenditure
Mayoral Projects: Youth Month	3 500,00	3 500,00	3 500,00	3 500,00	3 500,00	Other expenditure
Salga Fees	472 400,00	472 400,00	722 400,00	722 400,00	722 400,00	Other expenditure
Security: Alarms and Cameras	36 000,00	16 782,00	17 800,00	18 800,00	19 900,00	Other expenditure
Employee RC: Skills Development	21400,00					Employee related cost
Ward Committee Expenses	240 000,00	215 891,00	269 000,00	284 000,00	299 600,00	Other expenditure
<b>Total Operating Expenditure</b>	<b>4 104 800,00</b>	<b>3 783 315,95</b>	<b>4 569 500,00</b>	<b>4 753 500,00</b>	<b>4 947 200,00</b>	
<b>(Surplus)/ Deficit</b>	<b>2 273 900,00</b>	<b>1 931 412,95</b>	<b>2 510 200,00</b>	<b>2 494 400,00</b>	<b>2 491 800,00</b>	



2017/2018	FORECAST	2018/2019	2019/2020	2020/2021	GRAP CLASSIFICATION
(1 819 800,00)	(1 819 800,00)	(2 025 100,00)	(2 223 300,00)	(2 417 900,00)	Transfers recognised - operational
(331 000,00)	(110 650,00)	(118 000,00)	(124 500,00)	(131 400,00)	Interest earned - outstanding debtors
-	580 265,00	615 100,00	649 000,00	684 700,00	Property rates
(19 300,00)	(32 890,00)	(34 900,00)	(36 800,00)	(38 900,00)	Other revenue
(9 831 000,00)	(10 013 065,00)	(10 813 800,00)	(11 198 000,00)	(11 814 000,00)	Property rates
23 000,00	25 458,00	27 000,00	28 500,00	30 100,00	Property rates Income Forgone
-	38 948,00	41 500,00	43 800,00	46 300,00	Property rates Income Forgone
3 025 000,00	3 187 755,00	3 379 100,00	3 565 000,00	3 761 000,00	Property rates Income Forgone
40 000,00	166 917,00	177 000,00	187 000,00	197 300,00	Property rates Income Forgone
(11 800,00)	(21 517,00)	(22 800,00)	(24 100,00)	(25 500,00)	Other revenue
<b>(8 924 900,00)</b>	<b>(7 998 579,00)</b>	<b>(8 774 900,00)</b>	<b>(9 133 400,00)</b>	<b>(9 708 300,00)</b>	
641 800,00	641 800,00	660 400,00	717 800,00	760 000,00	Debt impairment
9 600,00	8 512,00	12 000,00	12 000,00	12 000,00	Other expenditure
505 000,00	-	-	-	-	Other expenditure
650 000,00	490 000,00	50 000,00	50 000,00	50 000,00	Other expenditure
<b>1 806 400,00</b>	<b>1 140 312,00</b>	<b>722 400,00</b>	<b>779 800,00</b>	<b>822 000,00</b>	
<b>(7 118 500,00)</b>	<b>(6 858 267,00)</b>	<b>(8 052 500,00)</b>	<b>(8 353 600,00)</b>	<b>(8 886 300,00)</b>	

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DESCRIPTION LEDGER VOTE 0070	BUDGET 2017/2018	FULL YEAR FORECAST	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021	GRAP CLASSIFICATION
<b>M MANAGER INCOME</b>						
Fotostats Fees	(3 600,00)	(6 367,00)	(6 800,00)	(6 900,00)	(7 000,00)	Other revenue
Municipal Services Accounts	-	4 974,00	5 300,00	5 600,00	5 900,00	Other revenue
Post Emp Medical -Invoiced	(81 000,00)	78 916,45	(86 000,00)	(90 800,00)	(95 800,00)	Other revenue
Revenue: LGSETA	(30 300,00)	(38 477,00)	(40 800,00)	(43 100,00)	(45 500,00)	Other revenue
Telephone & Fax Fees	(5 800,00)	(1 458,00)	(2 000,00)	(2 100,00)	(2 200,00)	Other revenue
Tender Fees	(9 300,00)	(6 000,00)	(15 000,00)	(15 800,00)	(16 700,00)	Other revenue
Web Site Advertisements Fees	(2 900,00)	(3 102,00)	(3 400,00)	(3 500,00)	(3 600,00)	Other revenue
<b>Total Operating Income</b>	<b>(132 900,00)</b>	<b>28 486,45</b>	<b>(148 700,00)</b>	<b>(156 600,00)</b>	<b>(164 900,00)</b>	
<b>M MANAGER EXPENDITURE</b>						
Advertisements: Banners	51 000,00	14 518,00	-	-	-	Other expenditure
Advertisements: Gazette	50 000,00	13 950,00	149 000,00	157 200,00	166 000,00	Other expenditure
Advertisements: Papers	88 000,00	99 715,00	42 000,00	44 400,00	46 900,00	Other expenditure
Cleansing Materials	23 600,00	21 289,21	25 000,00	26 400,00	27 800,00	Other expenditure
Courier Services	8 400,00	9 159,00	14 200,00	15 000,00	16 000,00	Other expenditure
Disciplinary Hearings Expenses	16 000,00	10 053,27	16 000,00	16 900,00	17 800,00	Other expenditure
Employee RC: Accomodation Costs	35 800,00	59 400,00	59 400,00	62 600,00	66 100,00	Employee related cost
Employee RC: Bargaining Council levies	1 300,00	1 293,00	1 400,00	1 500,00	1 600,00	Employee related cost
Employee RC: Bonusses	380 000,00	376 512,31	401 400,00	423 500,00	446 800,00	Employee related cost
Employee RC: Cell Phone Allowance	7 200,00	7 200,00	19 600,00	19 600,00	19 600,00	Employee related cost
Employee RC: Housing Subsidy	39 000,00	17 959,12	18 400,00	18 400,00	18 400,00	Employee related cost
Employee RC: Pensionfund	66 800,00	108 544,99	270 400,00	285 300,00	301 000,00	Employee related cost
Employee RC: Post Emp Medical Expenses	275 000,00	261 518,00	269 000,00	283 800,00	299 500,00	Other expenditure
Employee RC: Salaries	4 540 000,00	4 098 512,57	4 816 500,00	5 081 400,00	5 360 900,00	Employee related cost
Employee RC: Subsistence	14 800,00	10 920,00	23 300,00	24 600,00	26 000,00	Employee related cost
Employee RC: Travelling Cost	99 900,00	51 954,68	72 000,00	75 900,00	80 100,00	Employee related cost

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Employee related expenditure	2017/18	2018/19	2019/20	2020/21	2021/22	Employee related cost
Employee RC: UIF	18 500,00	17 006,94	18 200,00	19 200,00	20 300,00	Employee related cost
Entertainment/Refreshments Costs	4 000,00	-	4 000,00	4 000,00	4 000,00	Other expenditure
Legal Fees	400 000,00	142 816,53	250 000,00	263 800,00	278 400,00	Other expenditure
LG SETA Skills development	-	41 298,65	48 200,00	50 900,00	53 700,00	Other expenditure
Municipal Services (Acc): Corporate	5 900,00	-	-	-	-	Other expenditure
Employee RC: Skills Development	46 000,00	-	-	-	-	Other expenditure
Stationary	57 000,00	51 897,98	59 000,00	62 200,00	65 600,00	Other expenditure
Training	125 000,00	102 354,68	135 000,00	142 500,00	150 400,00	Other expenditure
<b>Total Operating Expenditure</b>	<b>6 523 200,00</b>	<b>5 517 873,93</b>	<b>6 712 000,00</b>	<b>7 079 100,00</b>	<b>7 466 900,00</b>	
<b>(Surplus)/ Deficit</b>	<b>6 390 300,00</b>	<b>5 546 360,38</b>	<b>6 563 300,00</b>	<b>6 922 500,00</b>	<b>7 302 000,00</b>	

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

<b>DESCRIPTION LEDGER VOTE 0100</b>	<b>BUDGET 2017/2018</b>	<b>FULL YEAR FORECAST</b>	<b>BUDGET 2018/2019</b>	<b>BUDGET 2019/2020</b>	<b>BUDGET 2020/2021</b>	<b>GRAP CLASSIFICATION</b>
<b>LIBRARIES INCOME</b>						
Library Fines: Income	(500,00)	(1 690,00)	(1 800,00)	(1 900,00)	(2 000,00)	Other revenue
Library Grant: Income	(1 667 000,00)	(1 667 000,00)	(1 697 000,00)	(1 701 000,00)	(1 788 000,00)	Transfers recognised - operational
Library Hall Rentals	(8 000,00)	(9 020,00)	(9 600,00)	(10 200,00)	(10 800,00)	Rental of facilities and equipment
Library Lost Books	(500,00)	(590,00)	(700,00)	(800,00)	(900,00)	Other revenue
Municipal Services Accounts	-	46 827,00	51 000,00	53 800,00	56 800,00	Other revenue
<b>Total Operating Income</b>	<b>(1 676 000,00)</b>	<b>(1 631 473,00)</b>	<b>(1 658 100,00)</b>	<b>(1 660 100,00)</b>	<b>(1 744 900,00)</b>	
<b>LIBRARIES EXPENDITURE</b>			1658100	1660100	1744900	
Cleansing Materials	10 000,00	9 195,34	10 600,00	11 200,00	11 900,00	Other expenditure
Consumables	10 000,00	8 769,25	10 600,00	11 200,00	11 900,00	Other expenditure
Employee RC: Bargaining Council levies	900,00	900,00	1 000,00	1 100,00	1 200,00	Employee related cost
Employee RC: Bonusses	98 800,00	98 800,00	85 500,00	110 600,00	116 700,00	Employee related cost
Employee RC: Housing Subsidy	9 500,00	9 500,00	9 800,00	10 700,00	11 300,00	Employee related cost
Employee RC: Medical Aid	97 200,00	97 200,00	90 100,00	108 800,00	114 800,00	Employee related cost
Employee RC: Pensionfund	87 200,00	87 200,00	101 300,00	97 600,00	103 000,00	Employee related cost
Employee RC: Salaries	986 000,00	986 000,00	999 400,00	1 103 400,00	1 164 100,00	Employee related cost
Employee RC: Subsistence	8 000,00	8 000,00	8 500,00	9 000,00	9 500,00	Employee related cost
Employee RC: Travelling Cost	20 000,00	20 000,00	31 500,00	22 600,00	23 800,00	Employee related cost
Employee RC: UIF	11 500,00	11 500,00	8 900,00	13 000,00	13 800,00	Employee related cost
Insurance	10 000,00	10 000,00	21 900,00	11 200,00	11 900,00	Other expenditure
LG SETA Skills development	-	10 800,00	10 300,00	10 900,00	11 500,00	Other expenditure
Library: Programmes	26 600,00	24 189,26	28 200,00	29 800,00	31 500,00	Other expenditure
Library: Rental of Equipment	81 600,00	80 145,39	86 500,00	91 300,00	96 400,00	Other expenditure
Library: Television Expenses	36 000,00	36 000,00	4 000,00	-	-	Other expenditure
Lost Books Replacements	1 500,00	1 450,00	6 400,00	6 800,00	7 200,00	Other expenditure
Maintenance: Electrical Equipment	6 000,00	6 000,00	20 000,00	-	-	Other expenditure

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Maintenance: Electrical Equipment	6 000,00	6 000,00	20 000,00	-	-	Other expenditure
Maintenance: Properties	12 000,00	12 000,00	12 800,00	12 800,00	12 800,00	Other expenditure
Membership Fees	2 800,00	2 800,00	3 000,00	3 000,00	3 200,00	Other expenditure
Municipal Services (Acc): Libraries	46 200,00	-	-	-	-	Other expenditure
Newspapers	24 000,00	23 900,00	25 500,00	27 000,00	28 500,00	Other expenditure
Salga Fees	27 600,00	27 600,00	27 600,00	27 600,00	27 600,00	Other expenditure
Security: Alarms and Cameras	9 600,00	13 927,00	14 800,00	15 700,00	16 600,00	Other expenditure
Employee PC: Skills Development	11 900,00	-	-	-	-	Other expenditure
Stationary	24 000,00	21 926,00	25 500,00	27 000,00	28 500,00	Other expenditure
Telephone Expenses	9 600,00	3 945,00	14 400,00	7 200,00	7 200,00	Other expenditure
<b>Total Operating Expenditure</b>	<b>1 668 500,00</b>	<b>1 611 747,24</b>	<b>1 658 100,00</b>	<b>1 769 500,00</b>	<b>1 864 900,00</b>	
<b>(Surplus)/ Deficit</b>	<b>(7 500,00)</b>	<b>(19 725,76)</b>	<b>-</b>	<b>109 400,00</b>	<b>120 000,00</b>	
			1658100	1769500	1864900	

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<b>DESCRIPTION LEDGER VOTE 0110</b>	<b>BUDGET 2017/2018</b>	<b>FULL YEAR FORECAST</b>	<b>BUDGET 2018/2019</b>	<b>BUDGET 2019/2020</b>	<b>BUDGET 2020/2021</b>	<b>GRAP CLASSIFICATION</b>
<b>PROPERTIES INCOME</b>						
Building Plan Fees	(6 000,00)	(15 764,00)	(16 800,00)	(17 800,00)	(18 800,00)	Other revenue
Communage Rent: Agricultural Areas	(94 000,00)	(58 000,00)	(60 000,00)	(63 300,00)	(66 700,00)	Rental of facilities and equipment
Communage Rent: Town Areas	(358 200,00)	(387 138,00)	(180 000,00)	(50 000,00)	(50 000,00)	Rental of facilities and equipment
Land Use Planning Fees	(18 000,00)	(44 669,00)	(46 000,00)	(48 600,00)	(51 300,00)	Other revenue
Map Sales: Museum	(15 000,00)	(240,00)	(2 500,00)	(2 500,00)	(2 500,00)	Other revenue
Municipal Services Accounts	-	4 792,00	5 100,00	5 400,00	5 700,00	Other revenue
Museum Fees	(900,00)	(560,00)	(1 000,00)	(1 000,00)	(1 000,00)	Other revenue
Rental: Buildings	(252 200,00)	(248 916,00)	(258 600,00)	(272 200,00)	(287 200,00)	Rental of facilities and equipment
Sale of Property	(12 000,00)	-	-	-	-	Other revenue
Site Rental: MTN	(98 000,00)	(50 492,33)	(63 000,00)	(66 500,00)	(70 200,00)	Rental of facilities and equipment
Site Rental: Infraco	(74 000,00)	(73 519,00)	(81 400,00)	(86 000,00)	(90 800,00)	Rental of facilities and equipment
Site Rental: Sutherland Airfield	(27 400,00)	(27 400,00)	(34 000,00)	(36 000,00)	(38 000,00)	Rental of facilities and equipment
Site Rental: Vodacom	(35 500,00)	(35 500,00)	(39 000,00)	(41 200,00)	(43 500,00)	Rental of facilities and equipment
Site Rental: Williston Vleis Koöperasie	(1 200,00)	(1 200,00)	(1 200,00)	(1 200,00)	(1 200,00)	Rental of facilities and equipment
<b>Total Operating Income</b>	<b>(992 400,00)</b>	<b>(938 606,33)</b>	<b>(778 400,00)</b>	<b>(680 900,00)</b>	<b>(715 500,00)</b>	
<b>PROPERTIES EXPENDITURE</b>						
Debt Impairment: Other	120 000,00	80 000,00	50 000,00	103 300,00	106 700,00	Debt impairment
Employee RC: Bargaining Council levies	500,00	514,00	600,00	700,00	800,00	Employee related cost
Employee RC: Bonusses	53 200,00	51 296,98	68 700,00	72 500,00	76 500,00	Employee related cost
Employee RC: Cell Phone Allowance	2 000,00	2 000,00	2 000,00	2 000,00	2 000,00	Employee related cost
Employee RC: Housing Subsidy	12 600,00	4 300,00	4 300,00	4 300,00	4 300,00	Employee related cost
Employee RC: Pensionfund	98 200,00	91 244,05	101 500,00	107 100,00	113 000,00	Employee related cost
Employee RC: Salaries	752 000,00	701 518,95	824 200,00	869 600,00	917 500,00	Employee related cost
Employee RC: UIF	7 600,00	6 914,51	8 300,00	8 800,00	9 300,00	Employee related cost
Maintenance: Properties	190 000,00	187 916,00	225 100,00	157 200,00	80 200,00	Other expenditure
Security: Alarms and Cameras	7 600,00	6 615,18	8 300,00	8 800,00	9 300,00	Capital Expenditure
<b>Total Operating Expenditure</b>	<b>1 243 700,00</b>	<b>1 132 319,67</b>	<b>1 293 000,00</b>	<b>1 334 300,00</b>	<b>1 319 600,00</b>	

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DESCRIPTION LEDGER VOTE 0111	BUDGET 2017/2018	FULL YEAR FORECAST	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021	GRAP CLASSIFICATION
<b>TOWN HALL &amp; BUILDINGS INCOME</b>						
Deposits: Hiring of Halls	(6 000,00)	(5 800,00)	(7 000,00)	(8 000,00)	(9 000,00)	Other revenue
Hiring of Halls	(6 300,00)	(6 996,00)	(7 500,00)	(8 000,00)	(8 400,00)	Rental of facilities and equipment
Municipal Services Accounts	-	87 994,00	93 300,00	98 500,00	104 000,00	Other revenue
<b>Total Operating Income</b>	<b>(12 300,00)</b>	<b>75 198,00</b>	<b>78 800,00</b>	<b>82 500,00</b>	<b>86 600,00</b>	
<b>TOWN HALL &amp; BUILDINGS EXPENDITURE</b>						
Contributed: PPE Aircons	40 000,00	-	-	-	-	Other expenditure
Deposits: Hiring of Halls Refund	6 000,00	5 800,00	7 000,00	8 000,00	9 000,00	Other expenditure
Maintenance: Electrical Equipment	1 500,00	2 125,88	1 500,00	1 700,00	1 900,00	Other expenditure
Maintenance: Properties	25 000,00	16 125,87	50 000,00	52 300,00	55 200,00	Other expenditure
Municipal Services (Acc): Townhall & Offices	79 400,00	-	-	-	-	Other expenditure
<b>Total Operating Expenditure</b>	<b>151 900,00</b>	<b>24 051,75</b>	<b>58 500,00</b>	<b>62 000,00</b>	<b>66 100,00</b>	
<b>(Surplus)/ Deficit</b>	<b>139 600,00</b>	<b>99 249,75</b>	<b>137 300,00</b>	<b>144 500,00</b>	<b>152 700,00</b>	

DESCRIPTION LEDGER VOTE 0115	BUDGET 2017/2018	FULL YEAR FORECAST	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021	GRAP CLASSIFICATION
<b>CEMETERIES INCOME</b>						
Sale of Grave plots	(9 000,00)	(11 965,00)	(12 700,00)	(13 400,00)	(14 200,00)	Service charges - other
<b>Total Operating Income</b>	<b>(9 000,00)</b>	<b>(11 965,00)</b>	<b>(12 700,00)</b>	<b>(13 400,00)</b>	<b>(14 200,00)</b>	
<b>CEMETERIES EXPENDITURE</b>						
RBIG Expenses: Bulk Water Williston						
Old Graves Williston	1 000,00	-	1 000,00	1 000,00	1 000,00	Other expenditure
<b>Total Operating Expenditure</b>	<b>1 000,00</b>	<b>-</b>	<b>1 000,00</b>	<b>1 000,00</b>	<b>1 000,00</b>	
<b>(Surplus)/ Deficit</b>	<b>(8 000,00)</b>	<b>(11 965,00)</b>	<b>(11 700,00)</b>	<b>(12 400,00)</b>	<b>(13 200,00)</b>	



BUDGET 2017/2018	FULL YEAR FORECAST	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021	GRAP CLASSIFICATION
(2 500,00)	(3 055,00)	(3 300,00)	(3 500,00)	(3 700,00)	Other revenue
(1225 050,00)	(1225 050,00)	-	-	-	Transfers recognised – capital
-	14 503,00	15 400,00	16 300,00	17 200,00	
<b>(1 227 550,00)</b>	<b>(1 213 602,00)</b>	<b>12 100,00</b>	<b>12 800,00</b>	<b>13 500,00</b>	
-	-	15 000,00	15 900,00	16 800,00	Employee related cost
500,00	180,00	800,00	900,00	1000,00	Employee related cost
54 000,00	29 139,82	75 100,00	79 300,00	83 700,00	Employee related cost
1200,00	1200,00	1300,00	1300,00	1300,00	Employee related cost
8 400,00	8 400,00	4 300,00	4 300,00	4 300,00	Employee related cost
35 500,00	31298,33	97 500,00	102 900,00	108 600,00	Employee related cost
716 000,00	519 687,11	900 200,00	949 800,00	1002 100,00	Employee related cost
-	-	7 000,00	7 400,00	7 800,00	Employee related cost
-	-	28 800,00	30 400,00	32 100,00	Employee related cost
7 200,00	5 915,79	9 100,00	9 600,00	10 200,00	Employee related cost
1000,00	-	1000,00	1000,00	1000,00	Other expenditure
-	5 155,57	9 100,00	9 600,00	10 200,00	Employee related cost
150 000,00	-	150 000,00	158 300,00	167 000,00	Other expenditure
1225 050,00	1225 050,00	-	-	-	Other expenditure
18 300,00	-	-	-	-	Other expenditure
<b>2 282 350,00</b>	<b>1 826 026,62</b>	<b>1 299 200,00</b>	<b>1 370 700,00</b>	<b>1 446 100,00</b>	
<b>1 054 800,00</b>	<b>612 424,62</b>	<b>1 311 300,00</b>	<b>1 383 500,00</b>	<b>1 459 600,00</b>	

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DESCRIPTION LEDGER VOTE 0230	BUDGET 2017/2018	FULL YEAR FORECAST	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021	GRAP CLASSIFICATION
<b>STREETS &amp; PUBLIC WORKS INCOME</b>						
Expanded Public Work Programme	(1 000 000,00)	(1 000 000,00)	-	-	-	Transfers recognised – operational
Municipal Infrastructure Grant	(941 950,00)	(941 950,00)	(2 406 000,00)	(2 426 100,00)	(2 482 200,00)	Transfers recognised – capital
<b>Total Operating Income</b>	<b>(1 941 950,00)</b>	<b>(1 941 950,00)</b>	<b>(2 406 000,00)</b>	<b>(2 426 100,00)</b>	<b>(2 482 200,00)</b>	
<b>STREETS &amp; PUBLIC WORKS EXPENDITURE</b>						
Depreciation	100 000,00	100 000,00	100 000,00	100 000,00	100 000,00	Depreciation and asset impairment
Employee RC: Accomodation Costs	19 800,00	48 950,00	50 600,00	53 400,00	56 400,00	Employee related cost
Employee RC: Bargaining Council levies	1 300,00	1 157,38	1 900,00	2 000,00	2 100,00	Employee related cost
Employee RC: Bonusses	105 000,00	93 451,22	139 500,00	147 200,00	155 300,00	Employee related cost
Employee RC: Cell Phone Allowance	1 400,00	1 400,00	1 400,00	1 400,00	1 400,00	Employee related cost
Employee RC: Housing Subsidy	21 000,00	21 000,00	12 900,00	12 900,00	12 900,00	Employee related cost
Employee RC: Pensionfund	195 000,00	172 356,49	258 100,00	272 300,00	287 300,00	Employee related cost
Employee RC: Salaries	1 470 000,00	1 308 301,57	1 673 500,00	1 765 500,00	1 862 600,00	Employee related cost
Employee RC: Standby	64 500,00	57 505,39	60 200,00	63 600,00	67 100,00	Employee related cost
Employee RC: Subsistence	8 200,00	15 880,00	26 700,00	28 200,00	29 800,00	Employee related cost
Employee RC: Travelling Cost	55 500,00	91 258,21	129 500,00	136 700,00	144 200,00	Employee related cost
Employee RC: UIF	13 500,00	9 851,20	16 600,00	17 600,00	18 600,00	Employee related cost
Entertainment/Refreshments Costs	1 000,00	-	1 000,00	1 000,00	1 000,00	Other expenditure
Fuel and Lubricants	10 000,00	4 145,62	10 000,00	10 600,00	11 200,00	Other expenditure
LG SETA Skills development	-	-	16 800,00	17 800,00	18 800,00	Employee related cost
Licences: Vehicles	46 000,00	41 251,67	49 000,00	51 700,00	54 700,00	Other expenditure
Maintenance: Materials	100 000,00	86 144,14	100 000,00	105 500,00	111 300,00	Other expenditure
Maintenance: Road Painting	50 000,00	15 912,34	30 000,00	31 600,00	33 400,00	Other expenditure
Maintenance: Road Signs	50 000,00	-	-	-	-	Other expenditure
Maintenance: Vehicles	25 000,00	26 198,72	27 800,00	29 400,00	31 100,00	Other expenditure
MIG Expenses: Pavina Williston	821 950,00	821 950,00	2 406 000,00	2 426 100,00	2 482 200,00	Other expenditure

MIG Expenses: Paving Williston	821 950,00	821 950,00	2 406 000,00	2 426 100,00	2 482 200,00	Other expenditure
MIG Expenses: Stormwater Rebelskop	120 000,00	120 000,00	-	-	-	Other expenditure
Traffic Signs	80 000,00	-	50 000,00	52 800,00	55 800,00	
Uniforms (Overalls)	118 500,00	119 123,57	150 000,00	158 300,00	167 000,00	
<b>Total Operating Expenditure</b>	<b>4 491 150,00</b>	<b>4 155 837,52</b>	<b>5 311 500,00</b>	<b>5 485 600,00</b>	<b>5 704 200,00</b>	
<b>(Surplus)/ Deficit</b>	<b>2 549 200,00</b>	<b>2 213 887,52</b>	<b>2 905 500,00</b>	<b>3 059 500,00</b>	<b>3 222 000,00</b>	

REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66

				12		
DESCRIPTION LEDGER VOTE 0301	BUDGET 2017/2018	FULL YEAR FORECAST	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021	GRAP CLASSIFICATION
ELECTRICITY INCOME						
Administration Fees on Projects	-	-	(150 000,00)	(250 000,00)	(250 000,00)	Other revenue
Electricity: Call Out Fees	(1 700,00)	(1 598,18)	(2 000,00)	(2 200,00)	(2 400,00)	Other revenue
Electricity: New Installation	(6 900,00)	(8 145,29)	(10 000,00)	(10 500,00)	(11 000,00)	Other revenue
Electricity: Prepaid Sales	(4 690 000,00)	(4 312 264,00)	(4 890 000,00)	(5 054 000,00)	(5 340 000,00)	Service charges – electricity revenue
Electricity: Reconnection Fees	(25 000,00)	(10 500,00)	(25 000,00)	(26 400,00)	(27 900,00)	Other revenue
Electricity: Service Charges	(5 820 000,00)	(5 447 351,00)	(6 200 000,00)	(6 541 000,00)	(6 566 000,00)	Service charges – electricity revenue
Electricity: Tampering Penalties	(19 100,00)	(6 000,00)	(24 000,00)	(24 000,00)	(24 000,00)	Other revenue
Energy Efficiency Demand Side Grant	(2 000 000,00)	(2 000 000,00)	(3 000 000,00)	(5 000 000,00)	(5 000 000,00)	Transfers recognised – capital
Equitable Share	(1 819 800,00)	(1 819 800,00)	(2 025 200,00)	(2 223 400,00)	(2 417 900,00)	Transfers recognised – operational
Integrated Nat Elec Programme (INEP)	(1 000 000,00)	(1 000 000,00)	(1 000 000,00)	-	-	Transfers recognised – capital
Interest Levied: Electricity	(80 700,00)	(11 650,00)	(118 000,00)	(125 000,00)	(131 900,00)	Interest earned – outstanding debtors
Indigent Subsidies: Electricity		510 313,71	540 900,00	570 700,00	602 100,00	Service charges – electricity revenue
Municipal Services Accounts		653 928,00	694 000,00	733 000,00	773 400,00	Service charges – electricity revenue
Total Operating Income	(15 463 200,00)	(13 453 066,76)	(16 209 300,00)	(17 952 800,00)	(18 395 600,00)	
ELECTRICITY EXPENDITURE						
Bulk Purchases: Electricity	7 600 000,00	7 412 368,95	7 700 000,00	8 123 500,00	8 570 300,00	Bulk purchases
Commission: Pre Paid Sales Electricity	200 100,00	188 334,12	212 100,00	223 700,00	236 000,00	Other expenditure
Contracted Fees: Electricity Services	50 000,00	41 819,64	50 000,00	52 300,00	55 200,00	Contracted services
Debt Impairment: Electricity	298 000,00	289 060,00	315 800,00	333 200,00	351 500,00	Debt impairment
Depreciation	100 000,00	100 000,00	100 000,00	100 000,00	100 000,00	Depreciation and asset impairment
Electricity Purchases Small Usage	390 200,00	386 298,16	413 000,00	435 700,00	459 700,00	Bulk purchases
Electricity: Losses Measured	391 600,00	391 600,00	415 100,00	438 000,00	462 100,00	Other expenditure
Employee RC: Bargaining Council levies	200,00	182,00	200,00	300,00	400,00	Employee related cost
Employee RC: Bonusses	37 500,00	36 514,23	58 000,00	61 200,00	64 600,00	Employee related cost
Employee RC: Cell Phone Allowance	3 800,00	3 800,00	3 800,00	3 800,00	3 800,00	Employee related cost

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Employee RC: Cell Phone Allowance	3 800,00	3 800,00	3 800,00	3 800,00	3 800,00	Employee related cost
Employee RC: Overtime	20 000,00	19 544,31	70 000,00	73 900,00	78 000,00	Employee related cost
Employee RC: Salaries	679 000,00	645 122,09	695 800,00	734 100,00	774 500,00	Employee related cost
Employee RC: UIF	6 000,00	5 991,34	6 200,00	6 600,00	7 000,00	Employee related cost
External Loan: Capital DBSA	192 000,00	191 012,30	195 000,00	198 000,00	201 000,00	Other expenditure
External Loan: Interest DBSA	109 300,00	107 114,00	106 300,00	103 300,00	100 300,00	Finance Charges
Fuel and Lubricants	2 500,00	12 245,98	13 000,00	13 700,00	14 500,00	Other expenditure
INEP: Houses Fraserburg	1 000 000,00	1 000 000,00	1 000 000,00	-	-	Capital Expenditure
Indigent Subsidies: Electricity	401 000,00	-	-	-	-	Other expenditure
LG SETA Skills development	-	6 231,74	7 000,00	7 400,00	7 800,00	Employee related cost
Maintenance: Distribution Networks	40 000,00	18 779,77	80 000,00	84 400,00	84 400,00	Other expenditure
Maintenance: Materials	45 000,00	26 918,54	45 000,00	47 500,00	50 100,00	Other expenditure
Maintenance: Meters	35 000,00	18 555,09	35 000,00	37 000,00	39 100,00	Other expenditure
Maintenance: Streetlights	2 050 000,00	2 000 000,00	3 000 000,00	5 000 000,00	5 000 000,00	Capital Expenditure
Municipal Services (Acc): Electricity	287 400,00	-	-	-	-	Capital Expenditure
Employee RC: Skills Development	6 800,00	-	-	-	-	Capital Expenditure
Stationary	7 000,00	6 612,00	7 000,00	7 400,00	7 800,00	
Uniforms (Overalls)	2 200,00	-	-	-	-	
<b>Total Operating Expenditure</b>	<b>14 006 200,00</b>	<b>12 908 104,26</b>	<b>14 528 300,00</b>	<b>16 085 000,00</b>	<b>16 668 100,00</b>	
<b>(Surplus)/ Deficit</b>	<b>(1 457 000,00)</b>	<b>(544 962,50)</b>	<b>(1 681 000,00)</b>	<b>(1 867 800,00)</b>	<b>(1 727 500,00)</b>	
			10 528 300,00			
			(16 209 300,00)			

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

				13		
<b>DESCRIPTION LEDGER VOTE 0340</b>	<b>BUDGET 2017/2018</b>	<b>FORECAST</b>	<b>BUDGET 2018/2019</b>	<b>BUDGET 2019/2020</b>	<b>BUDGET 2020/2021</b>	<b>GRAP CLASSIFICATION</b>
<b>WATER INCOME</b>						
Equitable Share	(3 639 600,00)	(3 639 600,00)	(4 050 200,00)	(4 446 600,00)	(4 835 800,00)	Transfers recognised – operational
Interest Levied: Water	(394 200,00)	(453 022,00)	(480 300,00)	(506 700,00)	(535 000,00)	Interest earned – outstanding debtors
Indigent Subsidies: Water	-	1054 815,43	1 119 000,00	1 181 000,00	1 246 000,00	
Municipal Infrastructure Grant	(5 978 000,00)	(5 978 000,00)	(5 614 000,00)	(5 660 900,00)	(5 791 800,00)	Transfers recognised – capital
Municipal Services Accounts		221 089,00	235 000,00	248 000,00	262 000,00	
Regional Bulk Infrastructure Grant	-	-	(27 000 000,00)	(20 000 000,00)	-	Transfers recognised – capital
Water : Reconnection Fees	(4 800,00)	(5 425,00)	(6 000,00)	(6 400,00)	(6 800,00)	Other revenue
Water Services Infrastructure Grant	(4 000 000,00)	(4 000 000,00)	(5 000 000,00)	-	-	Transfers recognised – capital
Water: Call Out Fees	(1 700,00)	(750,00)	(2 000,00)	(2 200,00)	(2 400,00)	Other revenue
Water: Installation Fees	(6 700,00)	(4 956,37)	(7 000,00)	(7 500,00)	(8 000,00)	Other revenue
Water: Service Charges	(3 800 000,00)	(3 843 051,00)	(4 174 000,00)	(4 403 500,00)	(4 645 700,00)	Service charges – water revenue
Water: Tampering Penalties	(12 000,00)	(2 000,00)	(12 000,00)	(12 000,00)	(12 000,00)	Other revenue
<b>Total Operating Income</b>	<b>(17 837 000,00)</b>	<b>(16 650 899,94)</b>	<b>(44 991 500,00)</b>	<b>(33 616 800,00)</b>	<b>(14 329 500,00)</b>	
<b>WATER EXPENDITURE</b>						
Chemicals	150 000,00	19 800,64	50 000,00	153 000,00	161 500,00	Other expenditure
Commission: Pre Paid Sales Water	35 000,00	27 159,32	50 000,00	52 800,00	55 800,00	Other expenditure
Debt Impairment: Water	314 000,00	314 000,00	312 900,00	321 200,00	340 500,00	Debt impairment
Depreciation	100 000,00	100 000,00	100 000,00	100 000,00	100 000,00	Depreciation and asset impairment
Employee RC: Bargaining Council levies	300,00	99,00	200,00	300,00	400,00	Employee related cost
Employee RC: Bonusses	21 500,00	26 215,11	47 700,00	50 400,00	53 200,00	Employee related cost
Employee RC: Cell Phone Allowance	1 920,00	1 920,00	2 000,00	2 000,00	2 000,00	Employee related cost
Employee RC: Overtime	-	-	70 000,00	73 900,00	78 000,00	Employee related cost
Employee RC: Pensionfund	28 900,00	27 159,98	32 200,00	34 000,00	35 900,00	Employee related cost
Employee RC: Salaries	368 000,00	354 615,29	571 900,00	603 400,00	636 600,00	Employee related cost
Employee RC: UIF	3 700,00	2 915,74	5 800,00	6 200,00	6 600,00	Employee related cost
Fuel and Lubricants	100 000,00	104 125,96	105 000,00	110 800,00	117 000,00	Other expenditure

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	D	E	F	G	H	I
Employee RC: Salaries	368 000,00	354 615,29	571 900,00	603 400,00	636 600,00	Employee related cost
Employee RC: UIF	3 700,00	2 915,74	5 800,00	6 200,00	6 600,00	Employee related cost
Fuel and Lubricants	100 000,00	104 125,96	105 000,00	110 800,00	117 000,00	Other expenditure
Indigent Subsidies: Water	745 000,00	-	-	-	-	Other expenditure
LG SETA Skills development	-	-	5 800,00	6 200,00	6 600,00	Employee related cost
Maintenance: Distribution Networks	4 060 000,00	15 819,44	60 000,00	63 300,00	66 800,00	Other expenditure
Maintenance: Electrical Equipment	60 000,00	61 650,08	50 000,00	52 800,00	55 800,00	Other expenditure
Maintenance: Meters	60 000,00	50 042,21	60 000,00	63 300,00	66 800,00	Other expenditure
Maintenance: Vehicles	40 000,00	42 198,22	45 000,00	47 500,00	50 200,00	Other expenditure
MIG Expenses: Bulk Water Sutherland	5 978 000,00	5 978 000,00	5 614 000,00	5 660 900,00	5 791 800,00	Capital Expenditure
RBIG Expenses: Bulk Water Williston	-	-	27 000 000,00	20 000 000,00	-	Capital Expenditure
Municipal Services (Acc): Water	133 700,00	-	-	-	-	Other expenditure
Employee RC: Skills Development	3 700,00	-	-	-	-	Capital Expenditure
Water and Food Analysis: NDM function	46 100,00	41 219,33	300 000,00	316 500,00	334 000,00	Other expenditure
Water Research Levy	42 000,00	39 817,29	45 000,00	47 500,00	50 100,00	Other expenditure
Water SIG: Bulk Water Williston	-	4 000 000,00	5 000 000,00	-	-	Other expenditure
Water: Losses Measured	189 000,00	178 500,00	191 000,00	201 500,00	212 600,00	Other expenditure
<b>Total Operating Expenditure</b>	<b>12 489 220,00</b>	<b>11 385 257,61</b>	<b>39 718 500,00</b>	<b>27 967 500,00</b>	<b>8 222 200,00</b>	
<b>(Surplus)/ Deficit</b>	<b>(5 347 780,00)</b>	<b>(5 265 642,33)</b>	<b>(5 273 000,00)</b>	<b>(5 649 300,00)</b>	<b>(6 107 300,00)</b>	

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

DESCRIPTION LEDGER VOTE 0360	14					GRAP CLASSIFICATION
	BUDGET 2017/2018	FULL YEAR FORECAST	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021	
<b>SANITATION INCOME</b>						
Equitable Share	(4 549 500,00)	(4 549 500,00)	(5 062 700,00)	(5 558 200,00)	(6 044 700,00)	Transfers recognised – operational
Interest Levied: Sanitation	(359 800,00)	(424 251,00)	(450 000,00)	(474 800,00)	(501 000,00)	Interest earned – outstanding debtors
Indigent Subsidies: Sanitation		1 188 994,29	1 265 000,00	1 335 000,00	1 410 000,00	Service charges – sanitation revenue
Municipal Services Accounts		26 478,00	28 100,00	29 700,00	31 400,00	Service charges – sanitation revenue
Sanitation: Call Out Fees	(2 000,00)	(1 500,00)	(2 000,00)	(2 500,00)	(3 000,00)	Other revenue
Sanitation: Service Charges	(4 050 000,00)	(3 642 384,00)	(3 960 000,00)	(4 177 800,00)	(4 407 600,00)	Service charges – sanitation revenue
<b>Total Operating Income</b>	<b>(8 961 300,00)</b>	<b>(7 402 162,71)</b>	<b>(8 181 600,00)</b>	<b>(8 848 600,00)</b>	<b>(9 514 900,00)</b>	
<b>SANITATION EXPENDITURE</b>						
Contracted Fees: UDS Toilets	996 000,00	814 268,49	1 055 700,00	1 113 700,00	1 174 900,00	Contracted services
Debt Impairment: Sanitation	557 900,00	557 900,00	591 400,00	624 000,00	658 400,00	Debt impairment
Depreciation	100 000,00	100 000,00	100 000,00	100 000,00	100 000,00	Depreciation and asset impairment
Employee RC: Bargaining Council levies	500,00	612,00	1 000,00	1 100,00	1 200,00	Employee related cost
Employee RC: Bonusses	71 300,00	59 806,55	117 700,00	124 200,00	131 100,00	Employee related cost
Employee RC: Cell Phone Allowance	3 840,00	2 400,00	4 000,00	4 000,00	4 000,00	Employee related cost
Employee RC: Housing Subsidy	8 400,00	3 200,00	4 300,00	4 300,00	4 300,00	Employee related cost
Employee RC: Overtime	60 000,00	66 815,44	70 000,00	73 900,00	78 000,00	Employee related cost
Employee RC: Pensionfund	129 500,00	85 426,37	203 500,00	214 700,00	226 600,00	Employee related cost
Employee RC: Salaries	971 000,00	809 544,03	1 411 600,00	1 489 300,00	1 572 000,00	Employee related cost
Employee RC: UIF	9 800,00	7 415,23	13 900,00	14 700,00	15 600,00	Employee related cost
External Loan: Capital STBank	485 000,00	-	-	-	-	Other expenditure
External Loan: Interest STBank	285 500,00	-	-	-	-	Finance Charges
Fuel and Lubricants	158 000,00	163 522,94	165 900,00	175 000,00	184 600,00	Other expenditure
Indigent Subsidies: Sanitation	980 000,00	-	-	-	-	Employee related cost
LG SETA Skills development	-	6 165,21	14 200,00	15 000,00	15 900,00	Employee related cost
Maintenance: Distribution Networks	60 000,00	34 156,83	60 000,00	63 300,00	66 800,00	Other expenditure



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Maintenance: Distribution Networks	60 000,00	34 156,83	60 000,00	63 300,00	66 800,00	Other expenditure
Maintenance: Electrical Equipment	60 000,00	58 124,55	10 000,00	10 600,00	11 200,00	Other expenditure
Maintenance: Vehicles	30 000,00	91 816,54	115 000,00	121 400,00	128 100,00	Other expenditure
Municipal Services (Acc): Sanitation	26 700,00	-	-	-	-	Other expenditure
Employee PC: Skills Development	9 800,00	-	-	-	-	Capital Expenditure
Water and Food Analysis: NDM function	-	-	10 000,00	10 600,00	11 200,00	Other expenditure
<b>Total Operating Expenditure</b>	<b>5 003 240,00</b>	<b>2 861 174,18</b>	<b>3 948 200,00</b>	<b>4 159 800,00</b>	<b>4 383 900,00</b>	
<b>(Surplus)/ Deficit</b>	<b>(3 958 060,00)</b>	<b>(4 540 988,53)</b>	<b>(4 233 400,00)</b>	<b>(4 688 800,00)</b>	<b>(5 131 000,00)</b>	

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<b>DESCRIPTION LEDGER VOTE 0361</b>	<b>BUDGET 2017/2018</b>	<b>FULL YEAR FORECAST</b>	<b>BUDGET 2018/2019</b>	<b>BUDGET 2019/2020</b>	<b>BUDGET 2020/2021</b>	<b>GRAP CLASSIFICATION</b>
<b>REFUSE INCOME</b>						
Equitable Share	(4 549 500,00)	(4 549 500,00)	(5 062 700,00)	(5 558 200,00)	(6 044 800,00)	Transfers recognised – operational
Garden Refuse Removal Income	(1 900,00)	(1 432,00)	(1 600,00)	(1 700,00)	(1 800,00)	Other revenue
Interest Levied: Refuse	(376 000,00)	(423 750,00)	(450 000,00)	(474 800,00)	(501 000,00)	Interest earned – outstanding debtor
Indigent Subsidies: Refuse	-	1 054 176,00	1 117 500,00	1 179 000,00	1 244 000,00	Service charges – refuse revenue
Municipal Services Accounts	-	17 977,00	19 100,00	20 100,00	21 200,00	Service charges – refuse revenue
Refuse: Service Charges	(3 193 000,00)	(2 956 812,00)	(3 235 000,00)	(3 412 900,00)	(3 600 700,00)	Service charges – refuse revenue
<b>Total Operating Income</b>	<b>(8 120 400,00)</b>	<b>(6 853 341,00)</b>	<b>(7 612 700,00)</b>	<b>(8 248 500,00)</b>	<b>(8 883 100,00)</b>	
<b>REFUSE EXPENDITURE</b>						
Debt Impairment: Refuse	506 700,00	506 700,00	537 100,00	566 700,00	597 900,00	Debt impairment
Employee RC: Bargaining Council levies	1 000,00	889,12	1 300,00	1 400,00	1 500,00	Employee related cost
Employee RC: Bonusses	91 500,00	89 471,15	139 900,00	147 600,00	155 800,00	Employee related cost
Employee RC: Cell Phone Allowance	3 840,00	3 840,00	4 000,00	4 000,00	4 000,00	Employee related cost
Employee RC: Housing Subsidy	47 500,00	41 900,00	26 900,00	28 400,00	30 000,00	Employee related cost
Employee RC: Overtime	-	15 819,63	30 000,00	31 700,00	33 500,00	Employee related cost
Employee RC: Pensionfund	125 000,00	119 514,28	196 400,00	207 200,00	218 600,00	Employee related cost
Employee RC: Salaries	1 215 000,00	1 209 512,84	1 678 600,00	1 770 900,00	1 869 000,00	Employee related cost
Employee RC: UIF	12 200,00	11 914,31	16 500,00	17 400,00	18 400,00	Employee related cost
Fuel and Lubricants	142 000,00	138 456,98	156 000,00	164 600,00	173 700,00	Other expenditure
Indigent Subsidies: Refuse	880 000,00	-	-	-	-	Other expenditure
LG SETA Skills development	-	12 159,61	16 800,00	17 700,00	18 700,00	Other expenditure
Maintenance: Materials	-	-	30 000,00	31 700,00	33 400,00	Other expenditure
Maintenance: Properties	-	-	80 000,00	-	-	Other expenditure
Maintenance: Vehicles	44 000,00	16 518,23	30 000,00	31 700,00	33 500,00	Other expenditure
Municipal Services (Acc): Refuse	20 800,00	-	-	-	-	Other expenditure
Refuse Rans Purchases	115 000,00	113 579,28	122 000,00	128 700,00	136 000,00	Other expenditure

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Refuse Bags Purchases	115 000,00	113 579,28	122 000,00	128 700,00	136 000,00	Other expenditure
Employee PC: Skills Development	12 200,00	-	-	-	-	Other expenditure
<b>Total Operating Expenditure</b>	<b>3 216 740,00</b>	<b>2 280 275,43</b>	<b>3 065 500,00</b>	<b>3 149 700,00</b>	<b>3 324 000,00</b>	
<b>(Surplus)/ Deficit</b>	<b>(4 903 660,00)</b>	<b>(4 579 065,57)</b>	<b>(4 547 200,00)</b>	<b>(5 098 800,00)</b>	<b>(5 559 100,00)</b>	

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

<b>DESCRIPTION</b>	<b>BUDGET 2017/2018</b>	<b>FULL YEAR FORECAST</b>	<b>BUDGET 2018/2019</b>	<b>BUDGET 2019/2020</b>	<b>BUDGET 2020/2021</b>	<b>PROJECT NAME</b>
<b>TOTAL INCOME</b>						
Administration Fees on Projects	-	-	(150 000,00)	(250 000,00)	(250 000,00)	Other Revenue_Administration Fees on Projects_NCO66_2018/2019_O_REV_053
Building Plan Fees	(6 000,00)	(15 764,00)	(16 800,00)	(17 800,00)	(18 800,00)	Other Revenue_Building Plan Fees_NCO66_2018/2019_O_REV_001
Caravan Park Fees	(2 500,00)	(3 055,00)	(3 300,00)	(3 500,00)	(3 700,00)	Other Revenue_Museum, Caravan Park and Swimming Pool Fees_NCO66_2018/2019_O_REV_003
Cash Surplus	(1 000,00)	(1 429,15)	(1 500,00)	(1 600,00)	(1 700,00)	Other Revenue_Cash Surplus_NCO66_2018/2019_O_REV_008
Communage Rent: Agricultural Areas	(94 000,00)	(58 000,00)	(60 000,00)	(63 300,00)	(66 700,00)	Rental of Facilities and Equipment_Communage Rent: Town & Farms_NCO66_2018/2019_O_REV_012
Communage Rent: Town Areas	(358 200,00)	(387 138,00)	(180 000,00)	(50 000,00)	(50 000,00)	Rental of Facilities and Equipment_Communage Rent: Town & Farms_NCO66_2018/2019_O_REV_012
Deposits: Hiring of Halls	(6 000,00)	(5 800,00)	(7 000,00)	(8 000,00)	(9 000,00)	Rentals of Sites, Buildings and Hiring of Halls_NCO66_2018/2019_O_REV_024
Electricity: Call Out Fees	(1 700,00)	(1 598,18)	(2 000,00)	(2 200,00)	(2 400,00)	Other Revenue_Water & Electricity: Call Out & Installation Fees_NCO66_2018/2019_O_REV_010
Electricity: New Installation	(6 900,00)	(8 145,29)	(10 000,00)	(10 500,00)	(11 000,00)	Other Revenue_Water & Electricity: Call Out & Installation Fees_NCO66_2018/2019_O_REV_010
Electricity: Prepaid Sales	(4 690 000,00)	(4 312 264,00)	(4 890 000,00)	(5 054 000,00)	(5 340 000,00)	Service Charges - Electricity Revenue_NCO66_2018/2019_O_REV_028
Electricity: Reconnection Fees	(25 000,00)	(10 500,00)	(25 000,00)	(26 400,00)	(27 900,00)	Other Revenue_Water & Electricity: Tampering & Reconnection Fees_NCO66_2018/2019_O_REV_005
Electricity: Service Charges	(5 820 000,00)	(5 447 351,00)	(6 200 000,00)	(6 541 000,00)	(6 566 000,00)	Service Charges - Electricity Revenue_NCO66_2018/2019_O_REV_028
Electricity: Tampering Penalties	(19 100,00)	(6 000,00)	(24 000,00)	(24 000,00)	(24 000,00)	Other Revenue_Water & Electricity: Tampering & Reconnection Fees_NCO66_2018/2019_O_REV_005
Encroachment Fees	-	-	-	-	-	
Energy Efficiency Demand Side Grant	(2 000 000,00)	(2 000 000,00)	(3 000 000,00)	(5 000 000,00)	(5 000 000,00)	Transfers Recognised - Capital EEDS_NCO66_2018/2019_C_REV_015
Equitable Share	(18 198 000,00)	(18 198 000,00)	(20 251 000,00)	(22 233 000,00)	(24 179 000,00)	Transfers Recognised - Operational E/Share_NCO66_2018/2019_O_REV_020
Expanded Public Work Programme	(1 000 000,00)	(1 000 000,00)	-	-	-	
Financial Management Grant	(1 900 000,00)	(1 900 000,00)	(1 970 000,00)	(2 435 000,00)	(2 867 000,00)	Transfers Recognised - Operational FMG_NCO66_2018/2019_O_REV_022
Fotostats Fees	(3 600,00)	(6 367,00)	(6 800,00)	(6 900,00)	(7 000,00)	Other Revenue_Deposits: Hiring of Halls & Fotostats Fees_NCO66_2018/2019_O_REV_039
Gains on disposal of PPE	-	-	-	-	-	
Garden Refuse Removal Income	(1 900,00)	(1 432,00)	(1 600,00)	(1 700,00)	(1 800,00)	Other Revenue_Garden Refuse Removal Income_NCO66_2018/2019_O_REV_011
Hiring of Halls	(6 300,00)	(6 996,00)	(7 500,00)	(8 000,00)	(8 400,00)	Rentals of Sites, Buildings and Hiring of Halls_NCO66_2018/2019_O_REV_024
Integrated Nat Elec Programme (INEP)	(1 000 000,00)	(1 000 000,00)	(1 000 000,00)	-	-	Transfers Recognised - Capital INEP_NCO66_2018/2019_C_REV_016
Interest Levied: Electricity	(80 700,00)	(11 650,00)	(118 000,00)	(125 000,00)	(131 900,00)	Interest Earned - Outstanding Debtors_Interest Levied: Electricity, Rates, Refuse, Sanitation, Water, Other anc
Interest Levied: Other	(3 000,00)	(3 396,00)	(3 600,00)	(3 800,00)	(4 000,00)	Interest Earned - Outstanding Debtors_Interest Levied: Electricity, Rates, Refuse, Sanitation, Water, Other anc
Interest Levied: Rates	(331 000,00)	(110 650,00)	(118 000,00)	(124 500,00)	(131 400,00)	Interest Earned - Outstanding Debtors_Interest Levied: Electricity, Rates, Refuse, Sanitation, Water, Other anc
Interest Levied: Refuse	(376 000,00)	(423 750,00)	(450 000,00)	(474 800,00)	(501 000,00)	Interest Earned - Outstanding Debtors_Interest Levied: Electricity, Rates, Refuse, Sanitation, Water, Other anc
Interest Levied: Sanitation	(359 800,00)	(424 251,00)	(450 000,00)	(474 800,00)	(501 000,00)	Interest Earned - Outstanding Debtors_Interest Levied: Electricity, Rates, Refuse, Sanitation, Water, Other anc
Interest Levied: Water	(394 200,00)	(453 022,00)	(480 300,00)	(506 700,00)	(535 000,00)	Interest Earned - Outstanding Debtors_Interest Levied: Electricity, Rates, Refuse, Sanitation, Water, Other anc

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

D	C	E	F	G	H	I
Interest Levied: Sanitation	(359 800,00)	(424 251,00)	(450 000,00)	(474 800,00)	(501 000,00)	Interest Earned - Outstanding Debtors_Interest Levied: Electricity, Rates, Refuse, Sanitation, Water, Other and
Interest Levied: Water	(394 200,00)	(453 022,00)	(480 300,00)	(506 700,00)	(535 000,00)	Interest Earned - Outstanding Debtors_Interest Levied: Electricity, Rates, Refuse, Sanitation, Water, Other and
Interest Received	(299 900,00)	(351 531,43)	(403 000,00)	(393 500,00)	(415 200,00)	Interest Earned - External Investments_NCO66_2018/2019_O_REV_027
Indigent Subsidies: Rates	-	580 265,00	615 100,00	649 000,00	684 700,00	Indigent Subsidies_NCO66_2018/2019_REV_EXP_051
Indigent Subsidies: Electricity	-	510 313,71	540 900,00	570 700,00	602 100,00	Indigent Subsidies_NCO66_2018/2019_REV_EXP_051
Indigent Subsidies: Water	-	1054 815,43	1 119 000,00	1 181 000,00	1 246 000,00	Indigent Subsidies_NCO66_2018/2019_REV_EXP_051
Indigent Subsidies: Sanitation	-	1 188 394,29	1 265 000,00	1 335 000,00	1 410 000,00	Indigent Subsidies_NCO66_2018/2019_REV_EXP_051
Indigent Subsidies: Refuse	-	1054 176,00	1 117 500,00	1 179 000,00	1 244 000,00	Indigent Subsidies_NCO66_2018/2019_REV_EXP_051
Insurance Claims Received	-	(17 183,00)	(18 200,00)	(19 200,00)	(20 300,00)	Other Revenue_Insurance claims received_NCO66_2018/2019_O_REV_052
Land Use Planning Fees	(18 000,00)	(44 663,00)	(46 000,00)	(48 600,00)	(51 300,00)	Other Revenue_Land Use Planning Fees_NCO66_2018/2019_O_REV_002
Library Fines: Income	(500,00)	(1 690,00)	(1 800,00)	(1 900,00)	(2 000,00)	Library Fines: Income & Lost Books_NCO66_2018/2019_O_REV_036
Library Grant: Income	(1 667 000,00)	(1 667 000,00)	(1 637 000,00)	(1 701 000,00)	(1 788 000,00)	Transfers Recognised - Operational Library Grant_NCO66_2018/2019_O_REV_037
Library Hall Rentals	(8 000,00)	(9 020,00)	(9 600,00)	(10 200,00)	(10 800,00)	Rental of Facilities and Equipment_Library Hall Rentals_NCO66_2018/2019_O_REV_038
Library Lost Books	(500,00)	(590,00)	(700,00)	(800,00)	(900,00)	Library Fines: Income & Lost Books_NCO66_2018/2019_O_REV_036
Map Sales: Museum	(15 000,00)	(240,00)	(2 500,00)	(2 500,00)	(2 500,00)	Other Revenue_Museum, Caravan Park and Swimming Pool Fees_NCO66_2018/2019_O_REV_003
Motor Vehicle Registration Fees	-	-	-	-	-	
Mun Systems Improvement Grant	-	-	-	-	-	
Municipal Infrastructure Grant	(8 145 000,00)	(8 145 000,00)	(8 020 000,00)	(8 087 000,00)	(8 274 000,00)	Transfers Recognised - Capital MIG_NCO66_2018/2019_C_REV_017
Municipal Services Accounts	-	1 078 562,00	1 146 300,00	1 210 400,00	1 277 600,00	Municipal Consumption_NCO66_2018/2019_O_REV_051
Museum Fees	(900,00)	(560,00)	(1 000,00)	(1 000,00)	(1 000,00)	Other Revenue_Museum, Caravan Park and Swimming Pool Fees_NCO66_2018/2019_O_REV_003
Natis Commission Receive	-	(277 302,00)	(294 000,00)	(310 200,00)	(327 300,00)	Agency Services_Motor Vehicle Registration, Natis Commission & Permits_NCO66_2018/2019_O_REV_013
Natis Other Trans eg. permits	-	-	-	-	-	Agency Services_Motor Vehicle Registration, Natis Commission & Permits_NCO66_2018/2019_O_REV_013
Overpayment collection	(6 000,00)	(6 000,00)	(6 000,00)	(6 000,00)	(6 000,00)	Other Revenue_Overpayment Collection_NCO66_2018/2019_O_REV_009
Post Emp Medical -Invoiced	(81 000,00)	78 916,45	(86 000,00)	(90 800,00)	(95 800,00)	Post Emp Medical -Invoiced_NCO66_2018/2019_O_REV_034
Rates: Clearance Certificate	(19 300,00)	(32 890,00)	(34 900,00)	(36 800,00)	(38 900,00)	Other Revenue_Rates Certificates_NCO66_2018/2019_O_REV_043
Rates: Less Income Forgone	-	-	-	-	-	Property Rates_NCO66_2018/2019_O_REV_029
Rates: Levies	(9 831 000,00)	(10 013 065,00)	(10 813 800,00)	(11 196 000,00)	(11 814 000,00)	Property Rates_NCO66_2018/2019_O_REV_029
Rates: Rebates 2.5% Before 30 Sept	23 000,00	25 458,00	27 000,00	28 500,00	30 100,00	Property Rates_NCO66_2018/2019_O_REV_029
Rates: Rebates Farms	-	38 948,00	41 500,00	43 800,00	46 300,00	Property Rates_NCO66_2018/2019_O_REV_029
Rates: Rebates Government	3 025 000,00	3 187 755,00	3 379 100,00	3 565 000,00	3 761 000,00	Property Rates_NCO66_2018/2019_O_REV_029
Rates: Rebates Indigent	40 000,00	166 917,00	177 000,00	187 000,00	197 300,00	Property Rates_NCO66_2018/2019_O_REV_029
Rates: Valuation Certificates	(11 800,00)	(21 517,00)	(22 800,00)	(24 100,00)	(25 500,00)	Other Revenue_Rates Certificates_NCO66_2018/2019_O_REV_043
Refuse: Less Income Forgone	-	-	-	-	-	Service Charges - Refuse Revenue_NCO66_2018/2019_O_REV_030
Refuse: Service Charges	(3 193 000,00)	(2 956 812,00)	(3 235 000,00)	(3 412 900,00)	(3 600 700,00)	Service Charges - Refuse Revenue_NCO66_2018/2019_O_REV_030
Regional Bulk Infrastructure Grant	-	-	(27 000 000,00)	(20 000 000,00)	-	Transfers Recognised - Capital RBIG_NCO66_2018/2019_C_REV_018
Rental: Buildings	(252 200,00)	(248 916,00)	(258 600,00)	(272 200,00)	(287 200,00)	Rentals of Sites, Buildings and Hiring of Halls_NCO66_2018/2019_O_REV_024
Revenue: LGSFTA	(30 300 000)	(38 477 000)	(40 800 000)	(43 100 000)	(45 500 000)	Revenue: LGSFTA_NCO66_2018/2019_O_REV_035

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

B	C	E	F	G	H	M
Revenue: LGSETA	(30 300,00)	(38 477,00)	(40 800,00)	(43 100,00)	(45 500,00)	Revenue: LGSETA_NCO66_2018/2019_O_REV_035
Salary Deduction Commission	(10 000,00)	(8 574,00)	(9 000,00)	(9 500,00)	(10 000,00)	Other Revenue_Salary Deduction Commission_NCO66_2018/2019_O_REV_006
Sale of Grave plots	(9 000,00)	(11 965,00)	(12 700,00)	(13 400,00)	(14 200,00)	Service Charges - Other_NCO66_2018/2019_O_REV_031
Sale of Property	(12 000,00)	-	-	-	-	
Sanitation: Call Out Fees	(2 000,00)	(1 500,00)	(2 000,00)	(2 500,00)	(3 000,00)	Other Revenue_Sanitation: Call Out Fees_NCO66_2018/2019_O_REV_044
Sanitation: Service Charges	(4 050 000,00)	(3 642 384,00)	(3 960 000,00)	(4 177 800,00)	(4 407 600,00)	Service Charges - Sanitation Revenue_NCO66_2018/2019_O_REV_032
SARS Revenue on VAT	(1 498 000,00)	(1 875 612,00)	(2 800 000,00)	(2 100 000,00)	(1 670 000,00)	Other Revenue_SARS Revenue on VAT_NCO66_2018/2019_O_REV_041
Site Rental: MTN	(98 000,00)	(50 492,33)	(63 000,00)	(66 500,00)	(70 200,00)	Rentals of Sites, Buildings and Hiring of Halls_NCO66_2018/2019_O_REV_024
Site Rental: Infraco	(74 000,00)	(73 519,00)	(81 400,00)	(86 000,00)	(90 800,00)	Rentals of Sites, Buildings and Hiring of Halls_NCO66_2018/2019_O_REV_024
Site Rental: Sutherland Airfield	(27 400,00)	(27 400,00)	(34 000,00)	(36 000,00)	(38 000,00)	Rentals of Sites, Buildings and Hiring of Halls_NCO66_2018/2019_O_REV_024
Site Rental: Vodacom	(35 500,00)	(35 500,00)	(39 000,00)	(41 200,00)	(43 500,00)	Rentals of Sites, Buildings and Hiring of Halls_NCO66_2018/2019_O_REV_024
Site Rental: Williston Vleis Koöperasie	(1 200,00)	(1 200,00)	(1 200,00)	(1 200,00)	(1 200,00)	Rentals of Sites, Buildings and Hiring of Halls_NCO66_2018/2019_O_REV_024
Sundry Income	(8 700,00)	(12 731,00)	(24 800,00)	(14 500,00)	(15 300,00)	Other Revenue_Telephone & Fax Fees_NCO66_2018/2019_O_REV_042
Swimming Pool Fees	-	-	-	-	-	
Telephone & Fax Fees	(7 900,00)	(3 288,00)	(4 000,00)	(4 200,00)	(4 400,00)	Other Revenue_Telephone & Fax Fees_NCO66_2018/2019_O_REV_042
Tender Fees	(8 300,00)	(6 000,00)	(15 000,00)	(15 800,00)	(16 700,00)	Other Revenue_Tender Fees_NCO66_2018/2019_O_REV_040
Traffic Fines	(5 100,00)	(8 920,00)	(10 000,00)	(10 600,00)	(11 200,00)	Fines/Traffic Fines_NCO66_2018/2019_O_REV_014
Water: Reconnection Fees	(4 800,00)	(5 425,00)	(6 000,00)	(6 400,00)	(6 800,00)	Other Revenue_Water & Electricity: Tampering & Reconnection Fees_NCO66_2018/2019_O_REV_005
Water Services Infrastructure Grant	(4 000 000,00)	(4 000 000,00)	(5 000 000,00)	-	-	Transfers Recognised - Capital W/SIG_NCO66_2018/2019_C_REV_019
Water: Call Out Fees	(1 700,00)	(750,00)	(2 000,00)	(2 200,00)	(2 400,00)	Other Revenue_Water & Electricity: Call Out & Installation Fees_NCO66_2018/2019_O_REV_010
Water: Installation Fees	(6 700,00)	(4 956,37)	(7 000,00)	(7 500,00)	(8 000,00)	Other Revenue_Water & Electricity: Call Out & Installation Fees_NCO66_2018/2019_O_REV_010
Water: Service Charges	(3 800 000,00)	(3 843 051,00)	(4 174 000,00)	(4 403 500,00)	(4 645 700,00)	Service Charges - Water Revenue_NCO66_2018/2019_O_REV_033
Water: Tampering Penalties	(12 000,00)	(2 000,00)	(12 000,00)	(12 000,00)	(12 000,00)	Other Revenue_Water & Electricity: Tampering & Reconnection Fees_NCO66_2018/2019_O_REV_005
Web Site Advertisements Fees	(2 900,00)	(3 102,00)	(3 400,00)	(3 500,00)	(3 600,00)	Other Revenue_Web Site Advertisements Fees_NCO66_2018/2019_O_REV_004
<b>Total Operating Income</b>	<b>(70 852 500,00)</b>	<b>(64 282 269,87)</b>	<b>(98 250 200,00)</b>	<b>(90 171 200,00)</b>	<b>(73 621 100,00)</b>	

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

<b>TOTAL EXPENDITURE</b>						
Employee RC: Accomodation: Workshops, Co	51 000,00	38 916,00	49 000,00	51 700,00	54 200,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Advertisements: Banners	51 000,00	14 518,00	-	-	-	Advertisements_Banners, Gazette & Papers_NCO66_2018/2019_Q_EXP_061
Advertisements: Gazette	50 000,00	13 950,00	149 000,00	157 200,00	166 000,00	Advertisements_Banners, Gazette & Papers_NCO66_2018/2019_Q_EXP_061
Advertisements: Papers	88 000,00	99 715,00	42 000,00	44 400,00	46 900,00	Advertisements_Banners, Gazette & Papers_NCO66_2018/2019_Q_EXP_061
Audit: Committee	73 100,00	73 100,00	74 000,00	78 000,00	83 000,00	Auditing_Committee & Internal_NCO66_2018/2019_Q_EXP_063
Audit: External	2 160 000,00	2 171 512,00	2 160 000,00	2 278 800,00	2 716 000,00	Auditing_External_NCO66_2018/2019_Q_EXP_062
Audit: Internal	221 000,00	49 615,00	-	-	-	Auditing_Committee & Internal_NCO66_2018/2019_Q_EXP_063
Bank Charges	272 000,00	307 019,00	326 000,00	344 000,00	363 000,00	Bank Charges_NCO66_2018/2019_Q_EXP_064
Bulk Purchases: Electricity	7 600 000,00	7 412 368,95	7 700 000,00	8 123 500,00	8 570 300,00	Electricity Purchases_Bulk & Small Usage_NCO66_2018/2019_Q_EXP_065
Chemicals	150 000,00	19 800,64	50 000,00	153 000,00	161 500,00	Chemicals_NCO66_2018/2019_Q_EXP_066
Cleansing Materials	33 600,00	30 484,55	35 600,00	37 600,00	39 700,00	Cleansing Materials_NCO66_2018/2019_Q_EXP_067
Collections Costs	12 000,00	9 146,23	11 000,00	11 600,00	12 300,00	Other Running Cost_Security: Alarms and Cameras & Collections Costs_NCO66_2018/2019_Q_EXP_055
Commission: Pre Paid Sales Electricity	200 100,00	188 334,12	212 100,00	223 700,00	236 000,00	Other Running Cost_Commission: Pre Paid Sales Electricity & Water_NCO66_2018/2019_Q_EXP_054
Commission: Pre Paid Sales Water	35 000,00	27 159,32	50 000,00	52 800,00	55 800,00	Other Running Cost_Commission: Pre Paid Sales Electricity & Water_NCO66_2018/2019_Q_EXP_054
Community Participation	50 000,00	34 615,22	40 000,00	42 200,00	44 500,00	Mayoral Projects_NCO66_2018/2019_Q_EXP_068
Computer Liscence EMS Sebata	-	-	-	-	-	Financial System Expenses_NCO66_2018/2019_Q_EXP_069
Computer Liscence Other Software	30 000,00	18 900,00	30 000,00	30 000,00	32 000,00	Financial System Expenses_NCO66_2018/2019_Q_EXP_069
Computer Upgrading	21 000,00	13 136,98	15 000,00	15 800,00	16 700,00	Financial System Expenses_NCO66_2018/2019_Q_EXP_069
Consultant fees: Actuarial Valuations	19 000,00	19 000,00	21 000,00	22 200,00	23 500,00	Consultant Fees_NCO66_2018/2019_Q_EXP_070
Consultant fees: AFS Support	226 000,00	226 000,00	242 000,00	255 000,00	270 000,00	Consultant Fees_NCO66_2018/2019_Q_EXP_070
Consultant fees: Asset Register	630 000,00	630 000,00	630 000,00	665 000,00	701 000,00	Consultant Fees_NCO66_2018/2019_Q_EXP_070
Consultant fees: mSCOA	1 130 000,00	1 670 000,00	1 600 000,00	800 000,00	600 000,00	Consultant Fees_NCO66_2018/2019_Q_EXP_070
Consultant fees: Webpage hosting	8 400,00	8 400,00	9 000,00	9 500,00	10 000,00	Consultant Fees_NCO66_2018/2019_Q_EXP_070
Consumables	10 000,00	8 769,25	10 600,00	11 200,00	11 900,00	Other Running Cost_Consumables, Courier Services & Deeds Search Fees_NCO66_2018/2019_Q_EXP_056
Contracted Fees: Electricity Services	50 000,00	41 819,64	50 000,00	52 300,00	55 200,00	Contracted Fees_Electrical Services_NCO66_2018/2019_Q_EXP_071
Contracted Fees: UDS Toilets	996 000,00	814 268,49	1 055 700,00	1 113 700,00	1 174 900,00	Contracted Fees_UDS Toilets_NCO66_2018/2019_Q_EXP_072
Contributed: PPE Aircons	40 000,00	-	-	-	-	Contributed PPE_NCO66_2018/2019_Q_EXP_073
Contributed: PPE Cameras	50 000,00	-	-	-	-	Contributed PPE_NCO66_2018/2019_Q_EXP_073
Contributed: PPE Dictaphones	30 000,00	-	-	-	-	Contributed PPE_NCO66_2018/2019_Q_EXP_073
Contributed: PPE Laptops	60 000,00	-	27 000,00	9 000,00	18 000,00	Contributed PPE_NCO66_2018/2019_Q_EXP_073
Contributed: PPE Office Furniture	30 000,00	-	-	-	-	Contributed PPE_NCO66_2018/2019_Q_EXP_073
Councillors: Allowances	2 200 000,00	1 929 518,66	2 115 200,00	2 230 600,00	2 357 100,00	Councillors Allowances_NCO66_2018/2019_Q_EXP_074
Councillors: Cellphone Allowances	153 800,00	184 660,00	291 400,00	291 400,00	291 400,00	Councillors Allowances_NCO66_2018/2019_Q_EXP_074
Councillors: Datacard Allowances	25 200,00	-	25 800,00	25 800,00	25 800,00	Councillors Allowances_NCO66_2018/2019_Q_EXP_074
Councillors: Travel Allowances	228 000,00	221 893,31	236 000,00	250 000,00	260 000,00	Councillors Allowances_NCO66_2018/2019_Q_EXP_074

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

Councillors: Travel Allowances	228 000,00	221 893,31	236 000,00	250 000,00	260 000,00	Councillors Allowances_NCO66_2018/2019_Q_EXP_074
Courier Services	8 400,00	9 159,00	14 200,00	15 000,00	16 000,00	Other Running Cost_Consumables, Courier Services & Deeds Search Fees_NCO66_2018/2019_Q_EXP_056
Debt Impairment: Electricity	298 000,00	289 060,00	315 800,00	333 200,00	351 500,00	Debt Impairment_NCO66_2018/2019_Q_EXP_076
Debt Impairment: Other	120 000,00	80 000,00	50 000,00	103 300,00	106 700,00	Debt Impairment_NCO66_2018/2019_Q_EXP_076
Debt Impairment: Rates	641 800,00	641 800,00	660 400,00	717 800,00	760 000,00	Debt Impairment_NCO66_2018/2019_Q_EXP_076
Debt Impairment: Refuse	506 700,00	506 700,00	537 100,00	566 700,00	597 900,00	Debt Impairment_NCO66_2018/2019_Q_EXP_076
Debt Impairment: Sanitation	557 900,00	557 900,00	591 400,00	624 000,00	658 400,00	Debt Impairment_NCO66_2018/2019_Q_EXP_076
Debt Impairment: Water	314 000,00	314 000,00	312 900,00	321 200,00	340 500,00	Debt Impairment_NCO66_2018/2019_Q_EXP_076
Deeds Search Fees	9 600,00	8 512,00	12 000,00	12 000,00	12 000,00	Other Running Cost_Consumables, Courier Services & Deeds Search Fees_NCO66_2018/2019_Q_EXP_056
Deposits: Hiring of Halls Refund	6 000,00	5 800,00	7 000,00	8 000,00	9 000,00	Other Running Cost_Deposits: Hiring of Halls Refund_NCO66_2018/2019_Q_EXP_060
Depreciation	400 000,00	400 000,00	400 000,00	400 000,00	400 000,00	Depreciation_NCO66_2018/2019_Q_EXP_077
Disciplinary Hearings Expenses	16 000,00	10 053,27	16 000,00	16 900,00	17 800,00	Disciplinary Hearings Expenses_NCO66_2018/2019_Q_EXP_078
Donations: Fraserburg Kambro Project	20 000,00	20 000,00	20 000,00	20 000,00	20 000,00	Donations_NCO66_2018/2019_Q_EXP_080
Donations: Organised Agriculture	45 000,00	21 205,00	30 000,00	30 000,00	30 000,00	Donations_NCO66_2018/2019_Q_EXP_080
Donations: Schools	24 000,00	24 000,00	24 000,00	24 000,00	24 000,00	Donations_NCO66_2018/2019_Q_EXP_080
Donations: Sutherland Festival	20 000,00	-	20 000,00	20 000,00	20 000,00	Donations_NCO66_2018/2019_Q_EXP_080
Donations: Williston Show	10 000,00	10 000,00	20 000,00	20 000,00	20 000,00	Donations_NCO66_2018/2019_Q_EXP_080
Donations: Williston Winter festival	20 000,00	20 000,00	20 000,00	20 000,00	20 000,00	Donations_NCO66_2018/2019_Q_EXP_080
Donations: Churches	-	-	2 000,00	2 000,00	2 000,00	Donations_NCO66_2018/2019_Q_EXP_080
Donations: KHM LFA	-	-	4 000,00	4 000,00	4 000,00	Donations_NCO66_2018/2019_Q_EXP_080
Donations: Schools Sports	-	-	6 000,00	6 000,00	6 000,00	Donations_NCO66_2018/2019_Q_EXP_080
Electricity Purchases Small Usage	390 200,00	386 298,16	413 000,00	435 700,00	459 700,00	Electricity Purchases_Bulk & Small Usage_NCO66_2018/2019_Q_EXP_065
Electricity: Losses Measured	391 600,00	391 600,00	415 100,00	438 000,00	462 100,00	Other Running Cost_Losses Measured: Water & Electricity_NCO66_2018/2019_Q_EXP_059
Employee RC: Accommodation Costs	92 400,00	143 310,00	258 200,00	205 100,00	214 300,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Bargaining Council levies	8 200,00	7 529,50	10 700,00	11 800,00	12 800,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Bonusses	1328 800,00	1273 321,33	1696 100,00	1810 100,00	1910 000,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Cell Phone Allowance	41 400,00	39 960,00	68 100,00	69 700,00	71 500,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Housing Subsidy	163 200,00	114 659,12	85 200,00	87 600,00	89 800,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Medical Aid	97 200,00	97 200,00	90 100,00	108 800,00	114 800,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Overtime	80 000,00	102 179,38	240 000,00	253 400,00	267 500,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Pensionfund	857 600,00	810 923,49	1365 900,00	1431 900,00	1510 900,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Post Emp Medical Expenses	275 000,00	261 518,00	269 000,00	283 800,00	299 500,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Salaries	17 927 000,00	16 882 506,90	20 681 800,00	21 974 200,00	23 185 000,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Salaries Library Assistants	-	-	-	-	-	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Standby	64 500,00	57 505,39	60 200,00	63 600,00	67 100,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081
Employee RC: Subsistence	69 200,00	74 794,67	154 500,00	120 600,00	127 000,00	Employee Related Cost_NCO66_2018/2019_Q_EXP_081



**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

Employee RC: Subsistence	69 200,00	74 794,67	154 500,00	120 600,00	127 000,00	Employee Related Cost_NC066_2018/2019_O_EXP_081
Employee RC: Telephone Allowance	-	-	-	-	-	Employee Related Cost_NC066_2018/2019_O_EXP_081
Employee RC: Travelling Allowance	-	-	-	-	-	Employee Related Cost_NC066_2018/2019_O_EXP_081
Employee RC: Travelling Cost	430 700,00	365 914,28	468 800,00	484 000,00	510 600,00	Employee Related Cost_NC066_2018/2019_O_EXP_081
Employee RC: UIF	117 600,00	105 614,60	134 600,00	145 900,00	154 400,00	Employee Related Cost_NC066_2018/2019_O_EXP_081
Energy Efficiency Grant: Streetlighting Fraserburg	-	-	-	-	-	
Energy Efficiency Grant: Streetlighting Williston	-	-	-	-	-	
Entertainment/Refreshments Costs	12 000,00	3 956,23	12 000,00	12 000,00	12 000,00	Other Running Cost_Entertainment/Refreshments Costs_NC066_2018/2019_O_EXP_053
EPWP Expenses: Administration fees	50 000,00	50 000,00	-	-	-	Not applicable for the budget year
EPWP Expenses: Equipment	60 000,00	60 000,00	-	-	-	Not applicable for the budget year
EPWP Expenses: Fuel	42 000,00	42 000,00	-	-	-	Not applicable for the budget year
EPWP Expenses: Materials	435 000,00	435 000,00	-	-	-	Not applicable for the budget year
EPWP Expenses: Rental of vehicles	36 000,00	36 000,00	-	-	-	Not applicable for the budget year
EPWP Expenses: Uniforms	27 000,00	27 000,00	-	-	-	Not applicable for the budget year
EPWP Expenses: Wages	350 000,00	350 000,00	-	-	-	Not applicable for the budget year
External Loan: Capital STBank	485 000,00	-	-	-	-	
External Loan: Capital DBSA	192 000,00	191 012,30	195 000,00	198 000,00	201 000,00	Loans and Leases_DBSA_NC066_2018/2019_O_EXP_086
External Loan: Interest DBSA	109 300,00	107 114,00	106 300,00	103 300,00	100 300,00	Loans and Leases_DBSA_NC066_2018/2019_O_EXP_086
External Loan: Interest STBank	285 500,00	-	-	-	-	
Finance Lease Copier Usage	87 000,00	65 850,00	70 400,00	66 400,00	70 000,00	Finance Leases_Copier, External Capital & Interest_NC066_2018/2019_O_EXP_087
Finance Lease External - Capital	148 000,00	144 371,00	154 000,00	158 000,00	162 000,00	Finance Leases_Copier, External Capital & Interest_NC066_2018/2019_O_EXP_087
Finance Lease External - Interest	119 000,00	118 122,00	124 900,00	120 900,00	116 900,00	Finance Leases_Copier, External Capital & Interest_NC066_2018/2019_O_EXP_087
Finance Lease External - Interest	-	-	-	-	-	Finance Leases_Copier, External Capital & Interest_NC066_2018/2019_O_EXP_087
Fleet Management	-	-	-	-	-	
Fuel	-	-	-	-	-	
Fuel and Lubricants	412 500,00	422 497,48	479 900,00	506 400,00	534 500,00	Fuel_NC066_2018/2019_O_EXP_088
Impairment of Assets	-	-	-	-	-	Depreciation_NC066_2018/2019_O_EXP_077
INEP: Electricity Network Fraserburg	-	-	-	-	-	INEP: Electricity Network Fraserburg_NC066_2018/2019_O_CAP_121
INEP: Houses Fraserburg	1 000 000,00	1 000 000,00	1 000 000,00	-	-	INEP: Electricity Network Fraserburg_NC066_2018/2019_O_CAP_121
Indigent Subsidies: Rates	505 000,00	-	-	-	-	Moved to Revenue
Indigent Subsidies: Electricity	401 000,00	-	-	-	-	Moved to Revenue
Indigent Subsidies: Water	745 000,00	-	-	-	-	Moved to Revenue
Indigent Subsidies: Sanitation	980 000,00	-	-	-	-	Moved to Revenue
Indigent Subsidies: Refuse	880 000,00	-	-	-	-	Moved to Revenue
Insurance	280 000,00	279 515,00	309 900,00	315 000,00	332 400,00	Insurance_NC066_2018/2019_O_EXP_090
Land Use Survey (Plan)	-	-	-	-	-	

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

Land Use Survey (Plan)	-	-	-	-	-	
Leave Fund	-	-	-	-	-	
Employee RC: Leave Gratification Expense	90 000,00	61 592,09	91 000,00	96 000,00	101 300,00	Employee Related Cost_NC066_2018/2019_Q_EXP_081
Legal Fees	400 000,00	142 816,53	250 000,00	263 800,00	278 400,00	Legal Fees_NC066_2018/2019_Q_EXP_079
LG SETA Skills development	-	135 727,35	224 000,00	236 600,00	249 900,00	Other Running Cost_LG SETA Skills development_NC066_2018/2019_Q_EXP_057
Library: Programmes	26 600,00	24 189,26	28 200,00	29 800,00	31 500,00	Library: Programmes_NC066_2018/2019_Q_EXP_093
Library: Rental of Equipment	81 600,00	80 145,39	86 500,00	91 300,00	96 400,00	Library: Rental of Equipment_NC066_2018/2019_Q_EXP_094
Library: Television Expenses	36 000,00	36 000,00	4 000,00	-	-	Library: Rental of Equipment_NC066_2018/2019_Q_EXP_095
Licences: Vehicles	46 000,00	41 251,67	49 000,00	51 700,00	54 700,00	Licenses Vehicles_NC066_2018/2019_Q_EXP_096
Employee RC: Long Service Award Expense	30 000,00	24 125,37	30 000,00	31 700,00	33 500,00	Employee Related Cost_NC066_2018/2019_Q_EXP_081
Loss on Disposal of PPE	-	-	-	-	-	
Lost Books Replacements	1 500,00	1 450,00	6 400,00	6 800,00	7 200,00	Library Expenses_Lost Books, Membership Fees and Television_NC066_2018/2019_Q_EXP_092
Maintenance: Computer Hardware	15 000,00	-	10 000,00	10 500,00	11 000,00	Maintenance_Materials, Meters, Road Painting, Road Signs, Streetlights_NC066_2018/2019_Q_EXP_100
Maintenance: Distribution Networks	4 160 000,00	68 756,04	200 000,00	211 000,00	218 000,00	Maintenance_Distribution Networks_NC066_2018/2019_Q_EXP_099
Maintenance: Electrical Equipment	127 500,00	127 900,51	81 500,00	65 100,00	68 900,00	Maintenance_Electrical Equipment, Equipment & Radios_NC066_2018/2019_Q_EXP_103
Maintenance: Equipment	-	-	-	-	-	Maintenance_Electrical Equipment, Equipment & Radios_NC066_2018/2019_Q_EXP_103
Maintenance: Materials	145 000,00	113 062,68	175 000,00	184 700,00	194 800,00	Maintenance_Materials, Meters, Road Painting, Road Signs, Streetlights_NC066_2018/2019_Q_EXP_100
Maintenance: Meters	95 000,00	68 597,30	95 000,00	100 300,00	105 900,00	Maintenance_Materials, Meters, Road Painting, Road Signs, Streetlights_NC066_2018/2019_Q_EXP_100
Maintenance: Photocopiers	62 000,00	31 514,63	34 000,00	35 800,00	37 800,00	Maintenance_Properties_NC066_2018/2019_Q_EXP_102
Maintenance: Properties	377 000,00	216 041,87	517 900,00	380 600,00	315 200,00	Maintenance_Properties_NC066_2018/2019_Q_EXP_102
Maintenance: Radios	3 000,00	-	-	-	-	Maintenance_Electrical Equipment, Equipment & Radios_NC066_2018/2019_Q_EXP_103
Maintenance: Road Painting	50 000,00	15 912,34	30 000,00	31 600,00	33 400,00	Maintenance_Materials, Meters, Road Painting, Road Signs, Streetlights_NC066_2018/2019_Q_EXP_100
Maintenance: Road Signs	50 000,00	-	-	-	-	Maintenance_Materials, Meters, Road Painting, Road Signs, Streetlights_NC066_2018/2019_Q_EXP_100
Maintenance: Streetlights	2 050 000,00	2 000 000,00	3 000 000,00	5 000 000,00	5 000 000,00	Maintenance_Materials, Meters, Road Painting, Road Signs, Streetlights_NC066_2018/2019_Q_EXP_100
Maintenance: Vehicles	194 000,00	176 731,71	217 800,00	230 000,00	242 900,00	Maintenance_Vehicles_NC066_2018/2019_Q_EXP_098
Mayoral Projects: 16 Days of Activism	3 500,00	4 147,00	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068
Mayoral Projects: Back to School	3 500,00	3 000,00	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068
Mayoral Projects: Freedom Month	3 500,00	2 986,00	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068
Mayoral Projects: HIV Month	3 500,00	4 129,00	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068
Mayoral Projects: Human Rights Month	3 500,00	-	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068
Mayoral Projects: Mandela Day	3 500,00	2 695,00	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068
Mayoral Projects: Social Development	3 500,00	-	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068
Mayoral Projects: SoNA of Provinces	3 500,00	4 457,00	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068
Mayoral Projects: Tourism Month	3 500,00	3 000,00	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068
Mayoral Projects: Womens Month	3 500,00	1 689,00	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068
Mayoral Projects: Workers Month	3 500,00	2 456,31	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068
Mayoral Projects: Youth Month	3 500,00	3 500,00	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_Q_EXP_068

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

D	C	E	F	G	H	I
Mayoral Projects: Youth Month	3 500,00	3 500,00	3 500,00	3 500,00	3 500,00	Mayoral Projects_NC066_2018/2019_O_EXP_068
Mayors Projects	-	-	-	-	-	Mayoral Projects_NC066_2018/2019_O_EXP_068
Membership Fees	2 800,00	2 800,00	3 000,00	3 000,00	3 200,00	Library Expenses_Lost Books, Membership Fees and Television_NC066_2018/2019_O_EXP_092
MIG Expenses: Bulk Water Sutherland	5 978 000,00	5 978 000,00	5 614 000,00	5 660 900,00	5 791 800,00	MIG Expenses: Bulk Water Sutherland_NC066_2018/2019_C_EXP_112
MIG Expenses: Paving Fraserburg	-	-	-	-	-	
MIG Expenses: Paving Sutherland	-	-	-	-	-	
MIG Expenses: Paving Williston	821 950,00	821 950,00	2 406 000,00	2 426 100,00	2 482 200,00	MIG Expenses: Paving Williston_NC066_2018/2019_C_EXP_115
MIG Expenses: Sport Facilities Sutherland	1 225 050,00	1 225 050,00	-	-	-	MIG Expenses: Sport Facilities Sutherland_NC066_2018/2019_C_EXP_116
MIG Expenses: Stormwater Rebelskop	120 000,00	120 000,00	-	-	-	
RBIG Expenses: Bulk Water Williston	-	-	27 000 000,00	20 000 000,00	-	Regional BIG: Bulk Water Williston_NC066_2018/2019_C_EXP_119
MIG Expenses: Water Network Sutherland	-	-	-	-	-	
Municipal Services (Acc): Corporate	5 900,00	-	-	-	-	Have been moved to income
Municipal Services (Acc): Electricity	287 400,00	-	-	-	-	Have been moved to income
Municipal Services (Acc): Libraries	46 200,00	-	-	-	-	Have been moved to income
Municipal Services (Acc): Parks	18 300,00	-	-	-	-	Have been moved to income
Municipal Services (Acc): Refuse	20 800,00	-	-	-	-	Have been moved to income
Municipal Services (Acc): Sanitation	26 700,00	-	-	-	-	Have been moved to income
Municipal Services (Acc): Townhall & Offices	79 400,00	-	-	-	-	Have been moved to income
Municipal Services (Acc): Water	133 700,00	-	-	-	-	Have been moved to income
Municipal Systems Improvement Grant	-	-	-	-	-	
Newspapers	24 000,00	23 900,00	25 500,00	27 000,00	28 500,00	Library: Newspapers_NC066_2018/2019_O_EXP_095
Old Graves Williston	1 000,00	-	1 000,00	1 000,00	1 000,00	Other Running Cost_Old Graves Williston & Traffic Signs_NC066_2018/2019_O_EXP_052
Postage Money Paid	192 000,00	174 562,32	202 000,00	213 100,00	224 900,00	Postal Fees_NC066_2018/2019_O_EXP_105
Postal Bag Rent	2 300,00	2 453,00	3 000,00	3 200,00	3 400,00	Postal Fees_NC066_2018/2019_O_EXP_105
Refuse Bags Purchases	115 000,00	113 579,28	122 000,00	128 700,00	136 000,00	Other Running Cost_Refuse Bags, Water & Food Analysis and Water research levy_NC066_2018/2019_O_EXP_055
Regional BIG: Bulk Water Williston	-	-	-	-	-	
Salga Fees	500 000,00	500 000,00	750 000,00	750 000,00	750 000,00	Salga Fees_NC066_2018/2019_O_EXP_106
Seбата: Cloud	91 500,00	94 050,00	99 700,00	105 200,00	111 000,00	Financial System Expenses_NC066_2018/2019_O_EXP_069
Seбата: Connect Attix 5	31 700,00	29 568,00	31 400,00	33 200,00	35 100,00	Financial System Expenses_NC066_2018/2019_O_EXP_069
Seбата: Connect MPLS	401 900,00	374 670,00	398 000,00	419 900,00	443 000,00	Financial System Expenses_NC066_2018/2019_O_EXP_069
Seбата: EMS Licence Fees	275 000,00	274 896,00	291 400,00	307 500,00	324 500,00	Financial System Expenses_NC066_2018/2019_O_EXP_069
Seбата: Offsite Backup	84 000,00	82 153,64	86 900,00	91 600,00	97 000,00	Financial System Expenses_NC066_2018/2019_O_EXP_069
Seбата: PBX	117 000,00	108 744,00	115 300,00	121 700,00	128 400,00	Financial System Expenses_NC066_2018/2019_O_EXP_069
Seбата: PBX Monthly Calls	-	20 178,00	21 400,00	22 600,00	23 900,00	Financial System Expenses_NC066_2018/2019_O_EXP_069
Security: Alarms and Cameras	53 200,00	37 324,18	40 900,00	43 300,00	45 800,00	Other Running Cost_Security: Alarms and Cameras & Collections Costs_NC066_2018/2019_O_EXP_055
Employee RC: Skills Development	194 800,00	-	-	-	-	

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

Employee RC: Skills Development	194 800,00	-	-	-	-	
Spatial Development (SDF)	-	-	-	-	-	
Stationary	238 000,00	220 290,24	256 500,00	270 700,00	285 500,00	Stationary_NCO66_2018/2019_Q_EXP_107
System Access and Information Fees	-	20 240,00	21 600,00	22 800,00	24 100,00	Telephone Expenses_NCO66_2018/2019_Q_EXP_108
Telephone Expenses	111 600,00	131 099,69	149 400,00	149 600,00	157 400,00	Telephone Expenses_NCO66_2018/2019_Q_EXP_108
Traffic Signs	80 000,00	-	50 000,00	52 800,00	55 800,00	Other Running Cost_Old Graves Williston & Traffic Signs_NCO66_2018/2019_Q_EXP_052
Training	125 000,00	102 354,68	135 000,00	142 500,00	150 400,00	Skills Development & Training_NCO66_2018/2019_Q_EXP_082
Uniforms (Overalls)	120 700,00	119 123,57	150 000,00	158 300,00	167 000,00	Uniforms_NCO66_2018/2019_Q_EXP_109
Valuation Roll Expenses	650 000,00	490 000,00	50 000,00	50 000,00	50 000,00	Valuation Roll Expenses_NCO66_2018/2019_Q_EXP_110
Wages EPWP Supervisors	-	-	-	-	-	
Ward Committee Expenses	240 000,00	215 891,00	269 000,00	284 000,00	299 600,00	Ward Committee Expenses_NCO66_2018/2019_Q_EXP_075
Water and Food Analysis: NDM function	46 100,00	41 219,33	310 000,00	327 100,00	345 200,00	Other Running Cost_Refuse Bags, Water & Food Analysis and Water research levy_NCO66_2018/2019_Q_EXP_051
Water Research Levy	42 000,00	39 817,29	45 000,00	47 500,00	50 100,00	Other Running Cost_Refuse Bags, Water & Food Analysis and Water research levy_NCO66_2018/2019_Q_EXP_051
Water SIG: Bulk Water Williston	-	4 000 000,00	5 000 000,00	-	-	Water SIG: Bulk Water Williston_NCO66_2018/2019_Q_EXP_120
Water: Losses Measured	189 000,00	178 500,00	191 000,00	201 500,00	212 600,00	Other Running Cost_Losses Measured: Water & Electricity_NCO66_2018/2019_Q_EXP_059
	<b>70 757 700,00</b>	<b>62 582 382,73</b>	<b>98 195 200,00</b>	<b>89 212 400,00</b>	<b>72 348 800,00</b>	
	<b>-94 800,00</b>	<b>-1 699 887,14</b>	<b>-55 000,00</b>	<b>-958 800,00</b>	<b>-1 272 300,00</b>	

**REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66**

<b>DESCRIPTION LEDGER VOTE 0002</b>	<b>BUDGET 2017/2018</b>	<b>MSCOA PROJECT NAME</b>	<b>Regional Indicator</b>
<b>TOTAL INCOME</b>			
Building Plan Fees	(6 000,00)	Other Revenue_Building Plan Fees_NC066_2017/2018_O_REV_001	Whole of the Municipality
Land Use Planning Fees	(18 000,00)	Other Revenue_Land Use Planning Fees_NC066_2017/2018_O_REV_002	Whole of the Municipality
Map Sales: Museum	(15 000,00)	Other Revenue_Museum, Caravan Park and Swimming Pool Fees_NC066_2017/2018_O_REV_003	Whole of the Municipality
Caravan Park Fees	(2 500,00)		
Museum Fees	(900,00)		
Swimming Pool Fees	-		
Web Site Advertisements Fees	(2 900,00)	Other Revenue_Web Site Advertisements Fees_NC066_2017/2018_O_REV_004	Whole of the Municipality
Electricity: Reconnection Fees	(25 000,00)	Other Revenue_Water & Electricity: Tampering & Reconnection Fees_NC066_2017/2018_O_REV_005	Whole of the Municipality
Electricity: Tampering Penalties	(19 100,00)		
Water : Reconnection Fees	(4 800,00)		
Water: Tampering Penalties	(12 000,00)		
Salary Deduction Commission	(10 000,00)	Other Revenue_Salary Deduction Commission_NC066_2017/2018_O_REV_006	Whole of the Municipality
Sale of Property	(12 000,00)	Other Revenue_Sale of Property_NC066_2017/2018_O_REV_007	Whole of the Municipality
Cash Surplus	(1000,00)	Other Revenue_Cash Surplus_NC066_2017/2018_O_REV_008	Whole of the Municipality
Overpayment collection	-	Other Revenue_Overpayment Collection_NC066_2017/2018_O_REV_009	Whole of the Municipality
Encroachment Fees	(6 000,00)		
SARS Revenue on VAT	(1498 000,00)	Other Revenue_SARS Revenue on VAT_NC066_2017/2018_O_REV_041	Whole of the Municipality
Telephone & Fax Fees	-	Other Revenue_Telephone & Fax Fees _NC066_2017/2018_O_REV_042	Whole of the Municipality
Sundry Income	(8 700,00)		
Tender Fees	(9 300,00)	Other Revenue_Tender Fees_NC066_2017/2018_O_REV_040	Whole of the Municipality
Electricity: Call Out Fees	(1 700,00)	Other Revenue_Water & Electricity: Call Out & Installation Fees_NC066_2017/2018_O_REV_010	Whole of the Municipality
Electricity: New Installation	(6 900,00)		
Water: Call Out Fees	(1 700,00)		
Water: Installation Fees	(6 700,00)		
Garden Refuse Removal Income	(1 900,00)	Other Revenue_Garden Refuse Removal Income_NC066_2017/2018_O_REV_011	Whole of the Municipality
Rates: Clearance Certificate	(19 300,00)	Other Revenue_Rates Certificates_NC066_2017/2018_O_REV_043	Whole of the Municipality

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Rates: Valuation Certificates	(11 800,00)		
Sanitation: Call Out Fees	(2 000,00)	Other Revenue_Sanitation: Call Out Fees_NC066_2017/2018_O_REV_044	Whole of the Municipality
Communage Rent: Agricultural Areas	(94 000,00)	Rental of Facilities and Equipment_Communage Rent: Town & Farms_NC066_2017/2018_O_REV_012	Whole of the Municipality
Communage Rent: Town Areas	(358 200,00)		
Motor Vehicle Registration Fees	-	Agency Services_Motor Vehicle Registration, Natis Commission & Permits_NC066_2017/2018_O_REV_013	Whole of the Municipality
Natis Commission Receive	-		
Natis Other Trans eg. permits	-		
Traffic Fines	(5 100,00)	FinesTraffic Fines_NC066_2017/2018_O_REV_014	Whole of the Municipality
Energy Efficiency Demand Side Grant	(2 000 000,00)	Transfers Recognised – Capital EEDS_NC066_2017/2018_C_REV_015	1,2
Integrated Nat Elec Programme (INEP)	(1 000 000,00)	Transfers Recognised – Capital INEP_NC066_2017/2018_C_REV_016	2
Municipal Infrastructure Grant	(8 145 000,00)	Transfers Recognised – Capital MIG_NC066_2017/2018_C_REV_017	1,2,4
Regional Bulk Infrastructure Grant	-	Transfers Recognised – Capital RBIG_NC066_2017/2018_C_REV_018	1
Water Services Infrastructure Grant	(4 000 000,00)	Transfers Recognised – Capital WSIG_NC066_2017/2018_C_REV_019	1
Equitable Share	(18 198 000,00)	Transfers Recognised – Operational E/Share_NC066_2017/2018_O_REV_020	Whole of the Municipality
Expanded Public Work Programme	(1 000 000,00)	Transfers Recognised – Operational EPwP_NC066_2017/2018_O_REV_021	Whole of the Municipality
Financial Management Grant	(1 900 000,00)	Transfers Recognised – Operational FMG_NC066_2017/2018_O_REV_022	Whole of the Municipality
Mun Systems Improvement Grant	-	Transfers Recognised – Operational MSIG_NC066_2017/2018_O_REV_023	Whole of the Municipality
Hiring of Halls	(6 300,00)	Rentals of Sites, Buildings and Hiring of Halls_NC066_2017/2018_O_REV_024	Whole of the Municipality
Rental: Buildings	(252 200,00)		
Site Rental: IMTN	(98 000,00)		
Site Rental: Infracore	(74 000,00)		
Site Rental: Sutherland Airfield	(27 400,00)		
Site Rental: Vodacom	(35 500,00)		
Site Rental: Williston Vleis Koöperasie	(1 200,00)		
Interest Levied: Electricity	(80 700,00)	Interest Earned – Outstanding Debtors_Interest Levied: Electricity, Rates, Refuse, Sanitation, Water, Other_NC066_2017/2018_O_REV_025	Whole of the Municipality
Interest Levied: Other	(3 000,00)		
Interest Levied: Rates	(331 000,00)		
Interest Levied: Refuse	(376 000,00)		
Interest Levied: Sanitation	(359 800,00)		
Interest Levied: Water	(394 200,00)		
Interest on Late Accounts	-		
Gains on disposal of PPE	-	Gains on Disposal of PPE_NC066_2017/2018_O_REV_026	Whole of the Municipality
Interest Received	(299 900,00)	Interest Earned – External Investments_NC066_2017/2018_O_REV_027	Whole of the Municipality
Electricity: Prepaid Sales	(4 690 000,00)	Service Charges – Electricity Revenue_NC066_2017/2018_O_REV_028	1,2
Electricity: Service Charges	(5 820 000,00)		

REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66

Electricity: Prepaid Sales	(4 690 000,00)	Service Charges - Electricity Revenue_NC066_2017/2018_O_REV_028	1,2
Electricity: Service Charges	(5 820 000,00)		
Rates: Less Income Forgone	-	Property Rates_NC066_2017/2018_O_REV_029	Whole of the Municipali
Rates: Levies	(9 831 000,00)		
Rates: Rebates 2.5% Before 30 Sept	23 000,00		
Rates: Rebates Farms	-		
Rates: Rebates Government	3 025 000,00		
Rates: Rebates Indigent	40 000,00		
Refuse: Less Income Forgone	-	Service Charges - Refuse Revenue_NC066_2017/2018_O_REV_030	1,2,4
Refuse: Service Charges	(3 193 000,00)		
Sale of Grave plots	(9 000,00)	Service Charges - Other_NC066_2017/2018_O_REV_031	1,2,4
Sanitation: Service Charges	(4 050 000,00)	Service Charges - Sanitation Revenue_NC066_2017/2018_O_REV_032	1,2,4
Water: Service Charges	(3 800 000,00)	Service Charges - Water Revenue_NC066_2017/2018_O_REV_033	1,2,4
Post Emp Medical -Invoiced	(81 000,00)	Post Emp Medical -Invoiced _NC066_2017/2018_O_REV_034	Whole of the Municipali
Revenue: LGSETA	(30 300,00)	Revenue: LGSETA_NC066_2017/2018_O_REV_035	Whole of the Municipali
Library Fines: Income	(500,00)	Library Fines: Income & Lost Books_NC066_2017/2018_O_REV_036	Whole of the Municipali
Library Lost Books	(500,00)		
Telephone & Fax Fees	(7 900,00)		
Library Grant: Income	(1 667 000,00)	Transfers Recognised - Operational Library Grant_NC066_2017/2018_O_REV_037	Whole of the Municipali
Library Hall Rentals	(8 000,00)	Rental of Facilities and Equipment_Library Hall Rentals _NC066_2017/2018_O_REV_038	Whole of the Municipali
Deposits: Hiring of Halls	(6 000,00)	Other Revenue_Deposits: Hiring of Halls & Fotostats Fees_NC066_2017/2018_O_REV_039	Whole of the Municipali
Fotostats Fees	(3 600,00)		

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<b>TOTAL EXPENDITURE</b>			
Fleet Management	-	Other Running Cost_Fleet Management_NC066_2017/2018_O_EXP_050	Whole of the Municipality
Refuse Bags Purchases	115 000,00	Other Running Cost_Refuse Bags, Water & Food Analysis and Water research levy_NC066_2017/2018_O_EXP_051	Whole of the Municipality
Water and Food Analysis: NDM function	46 100,00		
Water Research Levy	42 000,00		
Old Graves Williston	1 000,00	Other Running Cost_Old Graves Williston & Traffic Signs_NC066_2017/2018_O_EXP_052	Whole of the Municipality
Traffic Signs	80 000,00		
Entertainment/Refreshments Costs	12 000,00	Other Running Cost_Entertainment/Refreshments Costs_NC066_2017/2018_O_EXP_053	Whole of the Municipality
Commission: Pre Paid Sales Electricity	200 100,00	Other Running Cost_Commission: Pre Paid Sales Electricity & Water_NC066_2017/2018_O_EXP_054	Whole of the Municipality
Commission: Pre Paid Sales Water	35 000,00		
Security: Alarms and Cameras	45 600,00	Other Running Cost_Security: Alarms and Cameras & Collections Costs_NC066_2017/2018_O_EXP_055	Whole of the Municipality
Security: Alarms and Cameras			
Collections Costs	12 000,00		
Consumables	10 000,00	Other Running Cost_Consumables, Courier Services & Deeds Search Fees_NC066_2017/2018_O_EXP_056	Whole of the Municipality
Courier Services	8 400,00		
Deeds Search Fees	9 600,00		
LG SETA Skills development	-	Other Running Cost_LG SETA Skills development_NC066_2017/2018_O_EXP_057	Whole of the Municipality
Accommodation: Workshops,Council etc	51 000,00	Other Running Cost_Accommodation: Workshops,Council etc_NC066_2017/2018_O_EXP_058	Whole of the Municipality
Electricity: Losses Measured	391 600,00	Other Running Cost_Losses Measured: Water & Electricity_NC066_2017/2018_O_EXP_059	Whole of the Municipality
Water: Losses Measured	189 000,00		
Deposits: Hiring of Halls Refund	6 000,00	Other Running Cost_Deposits: Hiring of Halls Refund_NC066_2017/2018_O_EXP_060	Whole of the Municipality
Advertisements: Banners	51 000,00	Advertisements_Banners, Gazette & Papers_NC066_2017/2018_O_EXP_061	Whole of the Municipality
Advertisements: Gazette	50 000,00		
Advertisements: Papers	88 000,00		
Audit: External	2 160 000,00	Auditing_External_NC066_2017/2018_O_EXP_062	Whole of the Municipality
Audit: Committee	71 500,00	Auditing_Committee & Internal_NC066_2017/2018_O_EXP_063	Whole of the Municipality
Audit: Internal	221 000,00		
Bank Charges	272 000,00	Bank Charges_NC066_2017/2018_O_EXP_064	Whole of the Municipality
Bulk Purchases: Electricity	7 600 000,00	Electricity Purchases_Bulk & Small Usage_NC066_2017/2018_O_EXP_065	1,2
Electricity Purchases Small Usage	390 200,00		
Chemicals	150 000,00	Chemicals_NC066_2017/2018_O_EXP_066	Whole of the Municipality
Cleansing Materials	33 600,00	Cleansing Materials_NC066_2017/2018_O_EXP_067	Whole of the Municipality
Cleansing Materials			



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Cleansing Materials			
Community Participation	50 000,00	Mayoral Projects_NC066_2017/2018_O_EXP_068	Whole of the Municipality
Mayoral Projects: 16 Days of Activism	3 500,00		
Mayoral Projects: Back to School	3 500,00		
Mayoral Projects: Freedom Month	3 500,00		
Mayoral Projects: HIV Month	3 500,00		
Mayoral Projects: HIV Month			
Mayoral Projects: Human Rights Month	3 500,00		
Mayoral Projects: Mandela Day	3 500,00		
Mayoral Projects: Social Development	3 500,00		
Mayoral Projects: SoNA of Provinces	3 500,00		
Mayoral Projects: Tourism Month	3 500,00		
Mayoral Projects: Womens Month	3 500,00		
Mayoral Projects: Workers Month	3 500,00		
Mayoral Projects: Youth Month	3 500,00		
Mayors Projects	-		
Computer Licence EMS Sebata	-	Financial System Expenses_NC066_2017/2018_O_EXP_069	Whole of the Municipality
Computer Licence Other Software	30 000,00		
Computer Upgrading	21 000,00		
Sebata: Cloud	91 500,00		
Sebata: Connect Attix 5	31 700,00		
Sebata: Connect MPLS	401 900,00		
Sebata: EMS Licence Fees	275 000,00		
Sebata: Offsite Backup	84 000,00		
Sebata: PBX	117 000,00		
Consultant fees: Actuarial Valuations	19 000,00	Consultant Fees_NC066_2017/2018_O_EXP_070	Whole of the Municipality
Consultant fees: AFS Support	226 000,00		
Consultant fees: Asset Register	630 000,00		
Consultant fees: Asset Register			
Consultant fees: mSCOA	1 130 000,00		
Consultant fees: Webpage hosting	8 400,00		
Contracted Fees: Electricity Services	50 000,00	Contracted Fees_Electrical Services_NC066_2017/2018_O_EXP_071	Whole of the Municipality
Contracted Fees: UDS Toilets	936 000,00	Contracted Fees_UDS Toilets_NC066_2017/2018_O_EXP_072	Whole of the Municipality
Contributed: PPE Aircons	40 000,00	Contributed PPE_NC066_2017/2018_C_EXP_073	Whole of the Municipality
Contributed: PPE Cameras	50 000,00		
Contributed: PPE Dictaphones	30 000,00		

REVISED INTEGRATED DEVELOPMENT PLAN 2018 – 2019 FINANCIAL YEAR NCO66

Contributed: PPE Laptops	60 000,00		
Contributed: PPE Office Furniture	30 000,00		
Councillors: Allowances	2 200 000,00	Councillors Allowances_NC066_2017/2018_O_EXP_074	Whole of the Municipality
Councillors: Cellphone Allowances	159 800,00		
Councillors: Datacard Allowances	25 200,00		
Councillors: Travel Allowances	228 000,00		
Ward Committee Expenses	240 000,00	Ward Committee Expenses_NC066_2017/2018_O_EXP_075	Whole of the Municipality
Debt Impairment: Electricity	298 000,00	Debt Impairment_NC066_2017/2018_O_EXP_076	Whole of the Municipality
Debt Impairment: Other	120 000,00		
Debt Impairment: Rates	641 800,00		
Debt Impairment: Refuse	506 700,00		
Debt Impairment: Sanitation	557 900,00		
Debt Impairment: Water	314 000,00		
Depreciation	400 000,00	Depreciation_NC066_2017/2018_O_EXP_077	Whole of the Municipality
Impairment of Assets	-		
Disciplinary Hearings Expenses	16 000,00	Disciplinary Hearings Expenses_NC066_2017/2018_O_EXP_078	Whole of the Municipality
Legal Fees	400 000,00	Legal Fees_NC066_2017/2018_O_EXP_079	Whole of the Municipality
Donations: Fraserburg Kambro Project	20 000,00	Donations_NC066_2017/2018_O_EXP_080	Whole of the Municipality
Donations: Organised Agriculture	45 000,00		
Donations: Schools	24 000,00		
Donations: Sutherland Museum	20 000,00		
Donations: Williston Show	10 000,00		
Donations: Williston Winter festival	20 000,00		
Employee RC: Accommodation Costs	92 400,00	Employee Related Cost_NC066_2017/2018_O_EXP_081	Whole of the Municipality
Employee RC: Accommodation Costs			
Employee RC: Bargaining Council levies	8 200,00		
Employee RC: Bonusses	1 328 800,00		
Employee RC: Cell Phone Allowance	41 400,00		
Employee RC: Housing Subsidy	163 200,00		
Employee RC: Medical Aid	97 200,00		
Employee RC: Overtime	80 000,00		
Employee RC: Pensionfund	857 600,00		
Employee RC: Post Emp Medical Expenses	275 000,00		
Employee RC: Salaries	17 927 000,00		

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Employee RC: Salaries	17 927 000,00		
Employee RC: Salaries			
Employee RC: Salaries			
Employee RC: Salaries			
Employee RC: Salaries			
Employee RC: Salaries			
Employee RC: Salaries Library Assistants	-		
Employee RC: Standby	64 500,00		
Employee RC: Subsistence	69 200,00		
Employee RC: Telephone Allowance	-		
Employee RC: Travelling Allowance	-		
Employee RC: Travelling Cost	430 700,00		
Employee RC: UIF	117 600,00		
Leave Gratification Expense	90 000,00		
Long Service Award Expense	30 000,00		
Long Service Award Expense			
Leave Fund	-		
Wages EPWP Supervisors	-		
Training	125 000,00	Skills Development & Training_NC066_2017/2018_O_EXP_082	Whole of the Municipality
Skills Development	202 400,00		
Skills Development			
EPWP Expenses: Administration fees	50 000,00	EPWP_NC066_2017/2018_O_EXP_083	Whole of the Municipality
EPWP Expenses: Equipment	60 000,00		
EPWP Expenses: Fuel	42 000,00		
EPWP Expenses: Materials	435 000,00		
EPWP Expenses: Rental of vehicles	36 000,00		
EPWP Expenses: Uniforms	27 000,00		
EPWP Expenses: Wages	350 000,00	EPWP Expenses: Wages_NC066_2017/2018_O_EXP_084	Whole of the Municipality
External Loan: Capital STBank	485 000,00	Loans and Leases_STBank_NC066_2017/2018_O_EXP_085	Whole of the Municipality
External Loan: Interest STBank	285 500,00		
External Loan: Capital DBSA	192 000,00	Loans and Leases_DBSA_NC066_2017/2018_O_EXP_086	Whole of the Municipality
External Loan: Interest DBSA	109 300,00		
Finance Lease Copier Usage	87 000,00	Finance Leases_Copier, External Capital & Interest_NC066_2017/2018_O_EXP_087	Whole of the Municipality
Finance Lease Copier Usage			
Finance Lease External - Capital	148 000,00		
Finance Lease External - Interest	119 000,00		

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Fuel	-	Fuel_NC066_2017/2018_O_EXP_088	Whole of the Municipality
Fuel and Lubricants	412 500,00		
Indigent Subsidies: Electricity	401 000,00	Indigent Subsidies_NC066_2017/2018_O_EXP_089	Whole of the Municipality
Indigent Subsidies: Rates	505 000,00		
Indigent Subsidies: Refuse	880 000,00		
Indigent Subsidies: Sanitation	980 000,00		
Indigent Subsidies: Water	745 000,00		
Indigent Subsidy	-		
Insurance	280 000,00	Insurance_NC066_2017/2018_O_EXP_090	Whole of the Municipality
Insurance			
Land Use Survey (Plan)	-	Land Survey_NC066_2017/2018_O_EXP_091	Whole of the Municipality
Spatial Development (SDF)	-		
Lost Books Replacements	1 500,00	Library Expenses_Lost Books, Membership Fees and Television_NC066_2017/2018_O_EXP_092	Whole of the Municipality
Membership Fees	2 800,00		
Library: Television Expenses	36 000,00		
Library: Programmes	26 600,00	Library: Programmes_NC066_2017/2018_O_EXP_093	Whole of the Municipality
Library: Rental of Equipment	81 600,00	Library: Rental of Equipment_NC066_2017/2018_O_EXP_094	Whole of the Municipality
Newspapers	24 000,00	Library: Newspapers_NC066_2017/2018_O_EXP_095	Whole of the Municipality
Licences: Vehicles	46 000,00	Licenses Vehicles_NC066_2017/2018_O_EXP_096	Whole of the Municipality
Loss on Disposal of PPE	-	Loss on disposal of PPE_NC066_2017/2018_O_EXP_097	Whole of the Municipality
Maintenance: Vehicles	194 000,00	Maintenance_Vehicles_NC066_2017/2018_O_EXP_098	Whole of the Municipality
Maintenance: Distribution Networks	4 000 000,00	Maintenance_Distribution Networks_NC066_2017/2018_O_EXP_099	Whole of the Municipality
Maintenance: Distribution Networks	160 000,00		
Maintenance: Materials	145 000,00	Maintenance_Materials, Meters, Road Painting, Road Signs, Streetlights_NC066_2017/2018_O_EXP_100	Whole of the Municipality
Maintenance: Meters	95 000,00		
Maintenance: Road Painting	50 000,00		
Maintenance: Road Signs	50 000,00		
Maintenance: Streetlights	2 000 000,00		
Maintenance: Streetlights	50 000,00		
Maintenance: Computer Hardware	15 000,00	Maintenance_Computer Hardware & Photocopiers_NC066_2017/2018_O_EXP_101	Whole of the Municipality
Maintenance: Photocopiers	62 000,00		
Maintenance: Properties	377 000,00	Maintenance_Properties_NC066_2017/2018_O_EXP_102	Whole of the Municipality
Maintenance: Properties			

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Maintenance: Electrical Equipment	127 500,00	Maintenance_Electrical Equipment, Equipment & Radios_NC066_2017/2018_O_EXP_103	Whole of the Municipality
Maintenance: Electrical Equipment			
Maintenance: Electrical Equipment			
Maintenance: Electrical Equipment			
Maintenance: Equipment	-		
Maintenance: Radios	3 000,00		
Municipal Services (Acc)	-	Municipal Consumption_NC066_2017/2018_O_EXP_104	Whole of the Municipality
Municipal Services (Acc): Corporate	5 900,00		
Municipal Services (Acc): Electricity	287 400,00		
Municipal Services (Acc): Libraries	46 200,00		
Municipal Services (Acc): Parks	18 300,00		
Municipal Services (Acc): Refuse	20 800,00		
Municipal Services (Acc): Sanitation	26 700,00		
Municipal Services (Acc): Townhall & Offices	79 400,00		
Municipal Services (Acc): Water	133 700,00		
Postage Money Paid	192 000,00	Postal Fees_NC066_2017/2018_O_EXP_105	Whole of the Municipality
Postal Bag Rent	2 300,00		
Salga Fees	500 000,00	Salga Fees_NC066_2017/2018_O_EXP_106	Whole of the Municipality
Salga Fees			
Stationary	231 000,00	Stationary_NC066_2017/2018_O_EXP_107	Whole of the Municipality
Stationary			
Telephone Expenses	111 600,00	Telephone Expenses_NC066_2017/2018_O_EXP_108	Whole of the Municipality
Telephone Expenses			
Uniforms (Overalls)	118 500,00	Uniforms_NC066_2017/2018_O_EXP_109	Whole of the Municipality
Valuation Roll Expenses	650 000,00	Valuation Roll Expenses_NC066_2017/2018_O_EXP_110	Whole of the Municipality
Municipal Systems Improvement Grant	-	MSIG Expenses_NC066_2017/2018_O_EXP_111	Whole of the Municipality
MIG Expenses: Bulk Water Sutherland	5 978 000,00	MIG Expenses: Bulk Water Sutherland_NC066_2017/2018_C_EXP_112	4
MIG Expenses: Paving Fraserburg	-	MIG Expenses: Paving Fraserburg_NC066_2017/2018_C_EXP_113	2
MIG Expenses: Paving Sutherland	-	MIG Expenses: Paving Sutherland_NC066_2017/2018_C_EXP_114	4
MIG Expenses: Paving Williston	821 950,00	MIG Expenses: Paving Williston_NC066_2017/2018_C_EXP_115	1
MIG Expenses: Sport Facilities Sutherland	1 225 050,00	MIG Expenses: Sport Facilities Sutherland_NC066_2017/2018_C_EXP_116	4
MIG Expenses: Stormwater Rehabilitation	120 000,00	MIG Expenses: Stormwater Rehabilitation_NC066_2017/2018_C_EXP_117	4

MIG Expenses: Paving Sutherland	-	MIG Expenses: Paving Sutherland _NCO66_2017/2018_C_EXP_114	4
MIG Expenses: Paving Williston	821 950,00	MIG Expenses: Paving Williston _NCO66_2017/2018_C_EXP_115	1
MIG Expenses: Sport Facilities Sutherland	1 225 050,00	MIG Expenses: Sport Facilities Sutherland _NCO66_2017/2018_C_EXP_116	4
MIG Expenses: Stormwater Rebelskop	120 000,00	MIG Expenses: Stormwater Rebelskop _NCO66_2017/2018_C_EXP_117	4
MIG Expenses: Water Network Sutherland	-	MIG Expenses: Water Network Sutherland _NCO66_2017/2018_C_EXP_118	4
Regional BIG: Bulk Water Williston	-	Regional BIG: Bulk Water Williston _NCO66_2017/2018_C_EXP_119	1
Water SIG: Bulk Water Williston	-	Water SIG: Bulk Water Williston _NCO66_2017/2018_O_EXP_120	1
INEP: Electricity Network Fraserburg	-	INEP: Electricity Network Fraserburg _NCO66_2017/2018_O_EXP_121	2
INEP: Houses Fraserburg	1 000 000,00	INEP: Houses Fraserburg _NCO66_2017/2018_O_EXP_122	2
Energy Efficiency Grant: Streetlighting Fraserburg		Energy Efficiency Grant: Streetlighting Fraserburg _NCO66_2017/2018_O_EXP_123	2
Energy Efficiency Grant: Streetlighting Williston		Energy Efficiency Grant: Streetlighting Williston _NCO66_2017/2018_O_EXP_124	1
<b>Total Operating Expenditure</b>	<b>70 746 900,00</b>		
<b>(Surplus)/ Deficit</b>	<b>(105 600,00)</b>		

<u>DESCRIPTION</u>	<u>BUDGET 2017/2018</u>	<u>ADJUSTED BUDGET</u>	<u>PROJECTED 2017/2018</u>	<u>BUDGET 2018/2019</u>	<u>BUDGET 2019/2020</u>	<u>BUDGET 2020/2021</u>
<b>TOTAL INCOME</b>						
Mun Infrs Grant (Inc);	(8 145 000,00)	-	(8 145 000,00)	(8 020 000,00)	(8 087 000,00)	(8 274 000,00)
RBIG	-	-	-	(27 000 000,00)	(20 000 000,00)	-
EEDSM	-	(2 000 000,00)	(2 000 000,00)	(3 000 000,00)	(5 000 000,00)	(5 000 000,00)
WSIG	-	(4 000 000,00)	(4 000 000,00)	(5 000 000,00)	-	-
INEP	-	(1 000 000,00)	(1 000 000,00)	(1 000 000,00)	-	-
<b>Total Capital Income</b>	<b>(8 145 000,00)</b>	<b>(7 000 000,00)</b>	<b>(15 145 000,00)</b>	<b>(44 020 000,00)</b>	<b>(33 087 000,00)</b>	<b>(13 274 000,00)</b>

## FUNDED PROJECTS FOR THE 2018/2019 FINANCIAL YEAR

### Project Number: 6.1

MTSF OUTCOCME	IUD F	STRATEGIC OBJECTIVE	BUDGET T 2017/18	BUDGET T 2018/19	BUDGET T 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate infrastructure	R 7 million	-	-	Construction of the Sutherland Sport facility	Sport	MIG	Outsourced	Ward 4	Default

### Project Number: 6.2

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate	R 23 million	-	-	Construction of the Sutherland Bulk Water Supply	Water	MIG	Outsourced	Ward 4	Default



**Project Number: 6.3**

MTSF OUTCOM E	IUD F	STRATEGIC OBJECTIVE	BUDGE T 2017/1 8	BUDGE T 2018/1 9	BUDGE T 2019/2 0	MSCOA PROJECT	MSCOA FUNCTIO N SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTIN G
		Provide quality of living human settlements with adequate infrastructure	-	R 30 million	-	Construction of the Sutherland Internal Water Network	Water	MIG	Outsourced	Ward 4	Default

**Project Number: 6.4**

MTSF OUTCOM E	IUD F	STRATEGIC OBJECTIVE	BUDGE T 2017/1 8	BUDGE T 2018/1 9	BUDGE T 2019/2 0	MSCOA PROJECT	MSCOA FUNCTIO N SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTIN G
		Provide quality of living human settlements with adequate infrastructure	-	R 27 million	-	Construction of Williston Bulk Water	Water	RBIG	Outsourced	Ward 1	Default

**Project Number: 6.5**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate infrastructure	R 5 million	-	-	Williston WSIG	Water	WSIG	Outsourced	Ward 1	Default

**Project Number: 6.6**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate infrastructure	-	-	-	Williston Draught relief	Water	WSIG	Outsourced	Ward 1	Default

**Project Number: 6.7**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate infrastructure	R 2 million	R 3 million	-	Conversion to LED Street Lights	Electricity	EEDSM	Outsourced	Ward 1 Ward 2 Ward 4	Default

**Project Number: 6.9**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate infrastructure	R 2 million	-	-	Conversion to LED Street Lights	Electricity	EEDSM	Outsourced	Ward 1	Default

**Project Number: 6.10**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate infrastructure	R 1 million	R 1 million	R 2 million	Upgrading of Internal Electrical Network	Electricity	DOE	Outsourced	Ward 2	Default

**Project Number: 6.11**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate infrastructure	R 2 million	-	-	Conversion to LED Street lights	Electricity	EEDMS	Outsourced	Ward 2	Default

**Project Number: 6.12**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate infrastructure	-	R 90 million	-	Paving of Streets	Streets	MIG	Outsourced	Ward 1 Ward 2 Ward 4	Default

**Project Number: 6.13**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate infrastructure	-	R 7 million	-	Paving of Streets	Sports	MIG	Outsourced	Ward 1	Default

**Project Number: 6.14**

MTSF OUTCOM E	IUD F	STRATEGIC OBJECTIVE	BUDGE T 2017/1 8	BUDGE T 2018/1 9	BUDGE T 2019/2 0	MSCOA PROJECT	MSCOA FUNCTIO N SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTIN G
		Provide quality of living human settlements with adequate infrastructure	-	R 7 million	-	Constructio n of Sports Facility	Sports	MIG	Outsource d	Ward 1	Default

**Project Number: 6.15**

MTSF OUTCOM E	IUD F	STRATEGIC OBJECTIVE	BUDGE T 2017/1 8	BUDGE T 2018/1 9	BUDGE T 2019/2 0	MSCOA PROJECT	MSCOA FUNCTIO N SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTIN G
		Provide quality of living human settlements with adequate infrastructure	-	R 6 million	-	Constructio n of Sport facility	Sports	MIG	Outsource d	Ward 1	Default



**Project Number: 6.16**

MTSF OUTCOM E	IUD F	STRATEGIC OBJECTIVE	BUDGE T 2017/1 8	BUDGE T 2018/1 9	BUDGE T 2019/2 0	MSCOA PROJECT	MSCOA FUNCTIO N SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTIN G
		Provide quality of living human settlements with adequate infrastructure	-	R 6 million	-	Constructio n of Sport facility	Sports	MIG	Outsource d	Ward 1	Default

**Project Number: 6.17**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Transform urban areas to vibrant economic centres that are safe and secure	-	-	-	Revision of the municipality's Spatial Development Framework	SDF	SKA	Outsourced	Ward 1 Ward 2 Ward 3 Ward 4	Default



**Project Number: 6.18**

MTSF OUTCOM E	IUD F	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Transform urban areas to vibrant economic centres that are safe and secure	-	-	-	Development of Karoo Hoogland Hiking Trail and Tourguides	Tourism	Economic Development and Tourism	Outsourced	Ward 1 Ward 2 Ward 3 Ward 4	Default

**Project Number: 6.19**

MTSF OUTCOM E	IUD F	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Promote healthy living and working environments	-	-	-	Clearing of alien invasive	Environment	Economic Development and Tourism	Outsourced	Ward 1 Ward 2 Ward 3 Ward 4	Default

**Project Number: 6.20**

MTSF OUTCOME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Transform urban areas to vibrant economic centres that are safe and secure	-	-	-	Construction of Renewable Energy Wind Farms	Environment	Mainstream	Outsourced	Ward 4	Default

**Project Number: 6.21**

MTSF OUTCOME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Transform urban areas to vibrant economic centres that are safe and secure	-	-	-	Upgrading of williston landing strip	Landing Strip	SKA	Outsourced	Ward 1	Default

**Project Number: 6.22**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate infrastructure	-	-	-	Service of 150 erven	Housing	COGTHA	Outsourced	Ward 1	Default

**Project Number: 6.24**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Provide quality of living human settlements with adequate infrastructure	-	-	-	Service of 100 erven	Housing	COGTHA	Outsourced	Ward 4	Default

**Project Number: 6.25**

MTSF OUTCOM E	IUD F	STRATEGIC OBJECTIVE	BUDGE T 2017/1 8	BUDGE T 2018/1 9	BUDGE T 2019/2 0	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTIN G
		Transform urban areas to vibrant economic centres that are safe and secure	-	-	-	Installation of green technologies	Environmental Affairs	Environmental Affairs	Outsourced	All Wards	Default

**Project Number: 6.26**

MTSF OUTCOM E	IUD F	STRATEGIC OBJECTIVE	BUDGE T 2017/1 8	BUDGE T 2018/1 9	BUDGE T 2019/2 0	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTIN G
		Transform urban areas to vibrant economic centres that are safe and secure	-	-	-	Upgrading of Existing Recreational Playgrounds	Environmental Affairs	Environmental Affairs	Outsourced	All Wards	Default

**Project Number: 6.27**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Transform urban areas to vibrant economic centres that are safe and secure	-	-	-	Upgrading of Existing Storm Water Trenches	Environmental Affairs	Environmental Affairs	Outsourced	All Wards	Default

**Project Number: 6.29**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Transform urban areas to vibrant economic centres that are safe and secure	-	-	-	Upgrading of existing campsites and establishment of amphitheater	Environmental Affairs	Environmental Affairs	Outsourced	All Wards	Default

**Project Number: 6.30**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Transform urban areas to vibrant economic centres that are safe and secure	-	-	-	Upgrading of walking trials at Fraserburg Paleo Surface	Environmental Affairs	Environmental Affairs	Outsourced	All Wards	Default

**Project Number: 6.31**

MTSF OUTCOCME	IUDF	STRATEGIC OBJECTIVE	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	MSCOA PROJECT	MSCOA FUNCTION SEGMENT	MSCOA FUND SEGMENT	MSCOA ITEM SEGMENT	MSCOA REGION SEGMENT	MSCOA COSTING
		Transform urban areas to vibrant economic centres that are safe and secure	-	-	-	Training of Plumber's, Bricklayers Civil and Construction	Environmental Affairs	Environmental Affairs	Outsourced	All Wards	Default

## CHAPTER SEVEN: SECTOR PLAN INTERGRATION

This phase of the IDP serve to integrate issues raised ranging from the analysis phase. It gives a synopsis of available sector plans that were developed to contribute in addressing challenges identified in all institutional KPA's. The following tables serve to detail the sector plans developed and their role in aligning institutional policy.

### KPA 1: BASIC SERVICE DELIVERY

Sector Plan and By Laws	Summary
<b>Spatial Development Framework</b>	<p>The purpose of a Spatial Development Framework is to provide general direction to guide Integrated Development Planning and decision making as well as actions over a multi-year period and to create a strategic framework for the formulation of appropriate land use management system.</p> <p>The compilation of a Spatial Development Framework was identified as an important Land Use Management tool that is aligned to the District SDF, PSDF and NSDP.. The SDF addresses the most prevalent spatial needs in the municipal area will be addressed. It incorporates a spatial settlement strategy that promotes mixed land use and enhances service delivery. In addition, the SDF clearly outlines the current situation, as well as the desired form and composition of the municipal settlement development by addressing:</p> <ul style="list-style-type: none"> <li>➤ Current trends regarding development and service provision</li> <li>➤ Capital investment programmes/priority areas</li> <li>➤ Strategic Development Areas</li> <li>➤ Policy direction and objectives</li> <li>➤ Sustainable rural development</li> <li>➤ Urban development boundary</li> <li>➤ Movement</li> <li>➤ Nodal development</li> <li>➤ Density/settlements</li> <li>➤ Environmental management guidelines</li> <li>➤ Optimal location for Multi-Purpose Community</li> </ul>
<b>SPLUMA</b>	<p>SPLUMA aims to develop a new framework to govern planning permissions and approvals, sets parameters for new developments and provides for different lawful land uses in South Africa. SPLUMA is a framework law, which means that the law provides broad principles for a set of provincial laws that will regulate planning. SPLUMA also provides clarity on how planning law interacts with other laws and policies.</p>

	<p>The law is important because the repeal of many apartheid era laws has left our planning laws fragmented, complicated and inconsistent. For this reason, section 3 of SPLUMA says that the law tries to develop a 'uniform, effective and comprehensive system' of planning that 'promotes social and economic inclusion'.</p> <p>Although SPLUMA has progressive elements, the coming into effect of the law has been subject to <u>a lot of controversy and debate</u>. This is largely as a result of the powers that SPLUMA and its Regulations grant to traditional councils. While CLS (and others) have argued that SPLUMA and its Regulations <u>grant too much power to traditional councils</u>, the <u>traditional leadership lobby has resisted the Act</u> and has called for government to suspend its implementation on the basis that they were not consulted properly during the legislative process.</p>
<b>Refuse Removal</b>	The purpose of the bylaw is to promote a safe and healthy environment to the residents of Karoo Hoogland and also to provide procedures, methods and practices to regulate refuse dumping and removal.
<b>Waste bylaw</b>	The bylaw covers issues around waste management information system, basic services, commercial services, and transportation and disposal waste. It also contains information regarding the administrative enforcement.
<b>Electricity bylaw</b>	The electricity supply bylaw was approved by council in terms of the Municipal Systems Act 32 of 2000. It provides conditions and also regulates supply of electricity in the municipal licensed areas (Williston and Fraserburg). Other areas of the municipality are supplied by ESKOM.
<b>Environmental Management Plan</b>	<p>The aim of the project is to develop an EMF that will guide local and provincial decision-making to manage sustainable development of the NDM. This EMF will outline the environmental, social and economic aspects of the NDM. The EMF will also provide the provincial, district and local authorities with decision support guidelines that will assist in executing their respective mandates in an objective and efficient manner. The specific objectives of the EMF include the following:</p> <ul style="list-style-type: none"> <li>➤ To develop an EMF and a SEMP to facilitate decision-making which will ensure sustainable management of the natural resources;</li> <li>➤ To provide strategic guidance on both environmental, economic and social issues in the EMF area;</li> <li>➤ To identify environmentally sensitive areas;</li> <li>➤ To identify the environmental and development opportunities and constraints;</li> </ul>



	<ul style="list-style-type: none"> <li>➤ To assess the economic and environmental potential of the area;</li> <li>➤ To provide a decision support system in respect of environmental issues and priorities in the EMF area;</li> <li>➤ To formulate a strategy that will incorporate issues such as land use, planning and sensitive environmental resources; and</li> <li>➤ To include existing policies as frameworks for establishing values, guidelines and standards for future developments.</li> </ul>
<b>Biodiversity Sector Plan</b>	<p>The Karoo Hoogland LM (KHLM) encompasses an extensive area, and consists of a flat, undulating landscape, with mesa's dotted across the landscape. Rainfall occurs mostly in summer, with between 100-300mm expected per year. One of the SKEP priority areas, the Bokkeveld-Hantam-Roggeveld corridor, follows a south east trajectory through the municipality, encompassing Sutherland within its scope. This area – rigorously identified as key biodiversity rich locations within an already significant biodiversity hotspot - contains not only critical water management sites, but also a remarkable number of unique invertebrate and plant life.</p> <p>The Karoo Hoogland municipality is home to a wide variety of endemic bulbs, invertebrates and Fauna. Primitive scarab beetles, monkey beetles – which are found almost exclusively in Southern Africa, within which distinct species are concentrated within different areas throughout the Succulent Karoo – as well as various bees and wasps, exist in this habitat that are found nowhere else on earth. These insects act as key pollinators within the area – enabling the continuation of floristic life and dynamism. The municipality also contains unique bird life and a wide variety of other insect life that distinguishes this region from the biodiversity located within all the other local municipalities in the district. The Roggeveld mountain range contains not only a high diversity of these insects, but also consists of catchment areas critical to water availability in the region. The conservation of the KHLM's biodiversity will do much to contribute to the future socio-economic well-being and development of all inhabitants of the municipality.</p>
<b>Disaster Management Plan</b>	<p>The Namakwa District Municipality executed a detailed disaster hazard, vulnerability and risk assessment for its area of jurisdiction, including all six local municipalities.</p> <p>With this information it became possible to compile a disaster management level two plan. Mainly because the disaster management level 2 plan predominately focuses on the implementation of appropriate disaster risk reduction</p>

	programmes, which is the main responsibility of the local municipality, these plans have to be aligned the IDP and SDF of each local municipality. Hence, this level 2 plan dealt with information relevant to the Karoo Hoogland Local Municipality (KHLM).
<b>Indoor Air Quality</b>	<p>Indoor air quality is a major determination of personal exposure to pollutants in today's world. Many people spend much of their time in numerous different indoor environments.</p> <p>The ambient air quality of South Africa is regulated by the National Environmental Management Air Quality Act 39 of 2004 governed by the constitution which states that everyone has the right to an environment that is not harmful to their health or well-being. One way to characterize indoor air quality is to examine typical residence for levels of pollutants that are common place. Another way is to examine energy efficient residences to determine which pollutants if any are at increased levels.</p> <p>Sutherland is a town with about three thousand inhabitants in the Northern Cape Province it lies in the western Roggeveld Mountains in the karoo. Sutherland is the coldest town in South Africa with an average yearly temperature of 11.3 degree Celsius and an annual minimum temperature of 2.8 degree Celsius snowfall is common in winter. The coldest temperature recorded in Sutherland was – 16.4 degree Celsius on 12 July 2003 the climate in the region is semi-arid.</p>
<b>Climate Change Adaption Plan</b>	<p>Namakwa District Municipality is one of five districts in the Northern Cape Province. The Namakwa District Municipality is located in the far northwest of the Northern Cape, stretching from the Lower Orange River in the North to the border of the Western Cape Province in the South.</p> <p>The District is rich in biodiversity, scenic landscapes and seasonal flower displays which major tourist attractions are contributing significantly towards the District Municipality's tourism and economic activity.</p> <p>The District Municipality comprises of the following six local municipalities: Richtersveld Local Municipality, Nama Khoi Local Municipality, Khai Ma Local Municipality, Kamiesberg Local Municipality, Hantam Local Municipality and Karoo Hoogland Local Municipality (Namakwa District Municipality 2016). Whilst Namakwa is the largest District Municipal Area in the Northern Cape, it has a very low population density, with communities spread out across the District. The land and</p>

	<p>population dynamic significantly increases the costs and logistical limitations on service provision, including healthcare, road maintenance, education, and water, is therefore poses a great challenge in the District.</p> <p>The District Municipal Area is situated within the Orange and Breeder-Gouritz-Berg Hydrological Zones, two of six hydrological zones in South Africa (<b>Error! Reference source not found.</b>). These hydrological zones not only reflect water management areas but have been grouped according to climatic and hydrological characteristics (Department of Environmental Affairs 2013c)</p> <p>Based on a range of data and projections included in Department of Environmental Affairs Long Term Adaptation Scenario Reports, four possible climate scenarios have been identified for South Africa, these being:</p> <ul style="list-style-type: none"> <li>• warmer/wetter, with greater frequency in extreme rainfall events;</li> <li>• warmer/drier, with an increase in frequency of drought and somewhat increased frequency of extreme rainfall events;</li> <li>• hotter/wetter, with substantially greater frequency of extreme rainfall events; and</li> <li>• hotter/drier, with a substantial increase in the frequency of drought events and greater frequency of extreme rainfall events (Department of Environmental Affairs 2013c).</li> </ul> <p>Based on these climate scenarios, rainfall projections have been developed for each of the hydrological zones, indicating differences and variable rainfall patterns in different seasons. <b>Error! Reference source not found.</b> displays the rainfall projection within the four climate change scenarios described above, for the Orange and the Breeder-Gouritz-Berg Hydrological zones, based on the Long Term Adaptation Scenario Reports (Department of Environmental Affairs 2013c).</p>
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Climate Scenarios	Rainfall Trends	
	Orange Hydrological Zone	Breede-Gouritz-Berg Hydrological Zones
Warmer Wetter	Increased rainfall in all seasons	Decreased rainfall in autumn, and increased rainfall in winter and spring
Hotter Wetter	Increased rainfall in all seasons	Decreased rainfall in autumn, and increased rainfall in winter and spring
Warmer Drier	Decreased rainfall in summer, spring and autumn	Decreased rainfall in all seasons, and a strong decrease in rainfall in the west
Hotter Drier	Decreased rainfall in summer, spring and autumn	Decreased rainfall in all seasons, and a strong decrease in rainfall in the west
<p>A climate change vulnerability assessment conducted by Conservation South Africa (Bourne et al. 2015) identified climate change projections for the Namakwa District Municipal Area and its local municipalities using data from three regionally downscaled Global Climate Models (CSIRO; MPI- Max Planck Institute for Meteorology; and MIROC- Model for Interdisciplinary Research on Climate, medium resolution). Overall, the models suggest temperature increases over time, with dramatic increases in the longer term. Aridity in the District can be expected to increase regardless of changes in rainfall patterns.</p> <p>The identified projections for the District include<sup>1</sup> (Bourne et al. 2015):</p> <ul style="list-style-type: none"> <li>• Temperature increases of 1.8 degrees Celsius in the medium term (2040-2059) and 3.9 degrees Celsius in the long term (2081-2100) are projected.</li> <li>• Some variation in temperature is predicted between the coastal and inland areas with the inland areas</li> </ul>		

	<p>experiencing 20% warmer temperatures than coastal areas.</p> <ul style="list-style-type: none"> <li>• Overall, rainfall is projected to decrease in the District, with variation in the reduction of rainfall across the District.</li> <li>• Rainfall projections are less certain than the temperature projections, with some models suggesting increases in rainfall, especially in the interior over the long term.</li> </ul> <p>Based on this assessment, The following major temperature related impacts have been identified (Bourne et al. 2015):</p> <ul style="list-style-type: none"> <li>• An increase in temperatures is expected to result in increased evapotranspiration and the drying out of soils which will result in increased water stress. This will have an impact on agriculture, water quality and availability, and runoff.</li> <li>• An increase in the magnitude of storm events is expected due to increased summer temperatures. This will have flooding implications (Bourne et al. 2015).</li> </ul> <p>Regarding rainfall, the Namakwa District is already extremely water scarce, with large areas in the north regularly receiving less than 100mm of rainfall annually. Although inconsistent, rainfall patterns show slight drying trends, with an approximated 20mm per year reduction by 2100. Seasonal changes suggest the largest rainfall reductions in the winter for coastal areas and in the late summer for inland areas (Bourne et al. 2015). Increasing temperatures and changes in rainfall patterns could increase water scarcity across the District and consequently impact agriculture, biodiversity and communities in the area. Climatic change impacts could therefore exacerbate poverty, increase pressure on resources, and result in the extinction of certain species.</p>
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## KPA 2: LOCAL ECONOMIC DEVELOPMENT

Sector Plan	Summary
LED Strategy	<p>The goal of this document is to assist and support the Karoo Hoogland Local Municipality within the Namakwa District Municipality to generate a LED Strategy to ensure incorporation of the most recent development changes in the Local economy as well as the alignment with Provincial and National initiatives and to develop implementation plans. The LED study forms part of the IDP process and is one of the milestones toward achieving Local economic development within the Karoo Hoogland LM</p>

	<p>area. The purpose of the LED is for Karoo Hoogland Local Municipality to create the enabling environment to allow economic development to occur.</p> <p>The following actions were undertaken to prepare the LED:</p> <ul style="list-style-type: none"> <li>➤ Updated socio-economic and demographic information for the Karoo Hoogland Local Municipality through the use of secondary information (existing data bases)</li> <li>➤ To take Undertake an in-depth analysis of the real (but latent) development opportunities in the key economic sectors in the study area</li> <li>➤ Capacity building of Local LED officials</li> <li>➤ Identify practical sectoral programmes that could be used as basis for pro-active economic development initiatives</li> <li>➤ Undertake focused analysis of key sectors taking cognizance of the first and second economy constraints and opportunities</li> <li>➤ To promote an inclusive, participatory process that integrates strategic planning, community participation, sustainability and good decision making with Local economic development</li> <li>➤ Emphasise Local job creation, alleviation of poverty and redistribution of opportunities and wealth</li> <li>➤ Focus explicitly on opportunities for SMME development in all economic sectors</li> <li>➤ Promote the creation of an enabling environment conducive for economic development by addressing human resource development and an institutional framework as key components of programmes and projects</li> <li>➤ Ensure that the development opportunities have a definite geographic and spatial orientation to provide guidance in terms of sustainable future spatial development planning</li> <li>➤ Ensure that the strategy aligns with and add value to the existing policies, strategies and private sector initiatives</li> <li>➤ To provide a strategic framework for implementation of LED initiatives</li> <li>➤ Develop viable LED projects as per the revised strategy (carry out individual project development projections)</li> </ul>
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### KPA 3: FINANCIAL VIABILITY

Sector Plan	Summary
<b>Financial Plan</b>	Financial plan that reflects three year financials has been developed and is clearly outlined in the analysis phase. This include an audit action plan that is aimed at responding to issues raised by the Auditor General. Issues that were raised by the AG reflects amongst others challenges that the municipality should attend to. Responses have been provided on challenges raised by the AG's report.
<b>Credit and Debt Control</b>	<p>The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Mayor as supervisory authority in terms of section 99 of the Systems Act, read with section 100(c ). This report shall contain particulars on:</p> <p>Cash collection statistics, showing summarised debt recovery information (numbers of customers; enquires; arrangements; default arrangements; growth or reduction of arrear debt). Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.</p> <p>Performance of all areas against targets agreed to in item 3 of this policy document.</p> <p>If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent to the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if he agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.</p> <p><b>OBJECTIVE</b></p> <p>To provide procedures and mechanisms to collect all the monies due and payable to Council arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community.</p>
<b>Property Rates</b>	<p><b>WHEREAS</b> section 3 of the Local Government: Municipal Property Rates Act, 2004 (No6 of 2004) determines that a municipality must adopt a rates policy in accordance to the determination of the Act., this document sets out the policy of Karoo Hoogland Municipality on the levying of rates on rateable property.</p> <p>The Municipality will, as part of each annual operating budget process, impose a rate in the rand on the market value of all rateable properties as recorded in the Municipality's valuation roll</p>

	<p>or supplementary valuation roll(s). Rateable property includes any rights registered against the property, with the exception of a mortgage bond. Generally, all land within a municipal area is rateable unless it is specifically exempted in terms of section 15 of the MPRA. Such exemptions apply to cemeteries, amateur sports grounds and properties owned by welfare organisations. A municipality must, in accordance with section 3 of the MPRA, adopt a rates policy that sets out the broad policy framework within which the municipality rates its area and must, in accordance with section 5 of the MPRA, review and if necessary amend its rates policy annually.</p> <ul style="list-style-type: none"> <li>➤ The objective of this policy is also to ensure that-</li> <li>➤ all ratepayers within a specific category are treated equal and reasonable;</li> <li>➤ rates are levied in accordance with the market value of the property;</li> <li>➤ the rate will be based on the value of all ratable property and the amount required by the municipality to balance the operational budget, taking into account the surplus obtained from the trading- and economical services and the amounts required to finance exemptions, reductions and rebates that the municipality approve from time to time;</li> <li>➤ income from rates will be used to finance community- and subsidized services and not trading- or economical services;</li> <li>➤ to optimally safeguard the income base of the municipality through exemptions, reductions and rebates that is reasonable and affordable.</li> </ul>
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## KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Sector Plan – Policies and bylaws	Summary
<b>Employment equity Plan</b>	The employment equity policy is developed to promote equal opportunity, diversity and fair treatment in employment through the elimination of unfair discrimination regardless of race, gender, sex, pregnancy marital status, family responsibility,



	<p>ethnic or social origin, colour etc.</p> <ul style="list-style-type: none"> <li>➤ Objectives of the Plan</li> <li>➤ The establishment and maintenance of workforce</li> <li>➤ Equal access to job opportunities</li> <li>➤ To identify barriers to employment</li> </ul>
<b>Work Skills Plan</b>	The municipality develops the WSP on annual basis. The purpose of the plan is to capacitate employees on skills they require to better perform their duties. A skill audit is done to identify scarce skills that the institution need for its development and sustainability.
<b>Occupational health and safety policy</b>	The policy has been developed based on the provisions of the bill of rights as contained in the constitution of the Republic of South Africa Act 108 of 1996. The municipality is required to provide and maintain a reasonable and practical work environment that is safe and without risk to the health of the employees.

## KPA 5: GOOD GOVERNANCE

Sector Plan	Summary
<b>Ward Committees Policy</b>	The policy outlines roles functions of ward committees and also gives a guide on how ward committees are established. It further indicates the role communities in the establishment of these committees.
<b>Anti-corruption and fraud strategy/Plan</b>	<p>The policy is developed to govern the reporting investigation and handling of fraud and other crimes of dishonesty. The municipality is committed in ensuring that fraud and corruption are dealt with severely. The policy is therefore based on the following principles:</p> <ul style="list-style-type: none"> <li>➤ To have high standard of business ethics</li> <li>➤ Maintain business control to protect all assets from crime and fraud</li> </ul>
<b>Performance Management Framework</b>	The White Paper on Local Government, 1998 proposed the introduction of performance management systems to local government, as a tool to monitor service delivery progress at local government. It concluded that the concepts of integrated development planning, budgeting and performance management are powerful tools that can assist municipalities to develop an integrated perspective on development in their area. It will enable

	<p>them to focus on priorities within an increasingly complex and diverse set of demands and to direct resources allocations and institutional systems to a new set of development objectives.</p> <p>Chapters 6 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000), requires local government to:</p> <ul style="list-style-type: none"> <li>▪ Develop a performance management system.</li> <li>▪ Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (“IDP”).</li> <li>▪ Publish an annual report on performance management for the councillors, staff, the public and other spheres of government.</li> <li>▪ Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government.</li> <li>▪ Conduct an internal audit on performance report audited by the Auditor-General.</li> <li>▪ Involve the community in setting indicators and targets and reviewing municipal performance.</li> </ul> <p>The purpose of this document is to, according to the requirements of the Municipal Systems Act, develop a performance management framework for the Karoo Hoogland Municipality (“KHM”). This framework caters for the development, implementation and roll-out of performance management within KHM.</p> <p>This framework is to be read with the Performance Management Policy, and the performance indicators and targets linked to the Integrated Development Plan</p>
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	<p>("IDP"). The performance indicators include baseline, input, output and outcome indicators, the targets include target dates and HR performance targets and the IDP includes Key Performance Areas (KPAs), priority areas and strategic objectives.</p> <p>The primary objectives of performance management are amongst others, as follows:</p> <ul style="list-style-type: none"> <li>▪ Facilitate increased accountability</li> <li>▪ Facilitate learning and improvement</li> <li>▪ Provide early warning signals</li> <li>▪ Facilitate decision-making.</li> </ul>
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## CHAPTER 7: FINANCIAL PLAN

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### THE FININCIAL STRATEGY

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The financial framework wherein Council executes its mandate as a Category B, Grade 3 local authority finds its subsistence from the vision and mission statements of the municipality. The activities of Council are driven by their desire to fulfil the developmental role of a local authority and to maintain sustainable municipal services on a generally accepted standard to all its residents. Council endeavours to realise these aspirations within the essentiality of financial viability. Basic economic principles as well as good and sound business practices are taken into consideration when implementing operational activities as well as capital projects. In order to execute its mandate and fulfil its desires it is essential that the municipality have access to adequate sources of revenue from both its own operations, intergovernmental transfers and external investors.

#### 7.1 GRANTS

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Grants received were expended during the period under review..

#### 7.2 SPENDING AGAINST CAPITAL BUDGET

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#### 7.3 CAPITAL EXPENDITURE

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The funding for the capital budget is derived from Grants. All funds received were expended.

Due to the limited number of suppliers in the region it happens often that goods and services are procured from the sole suppliers.

Were applicable the municipality deviate into Section 36 of the Supply Chain Management Regulations.

#### 7.4 GRAP COMPLIANCE

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The Annual Financial Statements will be GRAP compliant and for this purpose Council appointed a qualified person to review the statements before submission.

#### 7.5 MSCOA COMPLIANCE

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All municipalities need to be SCOA compliant by 1 July 2017 the municipality conducted its first meeting on 6 October 2015 and the MSCOA Project Implementation team were established.

Section 216 of the Constitution of the Republic of South Africa, 1996 provides that national legislation must prescribe measures to ensure transparency and expenditure control each sphere of government by introducing generally recognized accounting practice (GRAP)

uniform expenditure classifications and uniform treasury norms and standards. The Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003)(MFMA), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe by regulations such measure in terms of section 168 thereof.

Uniform expenditure classifications have already been established and implemented for national and provincial government departments. However currently each municipality manages and reports on its financial affairs in accordance with its own organizational structures and unique chart of accounts. The result is disjuncture amongst municipalities and municipal entities and between municipalities and other spheres of government as to how they classify revenue and expenditure and consequently report thereon. This compromises transparency reliability and accuracy throughout the planning and reporting process and impedes the ability of national government to integrate information and to formulate coherent policies in response to the objectives of local government.

Consequently the Minister of Finance has interms of section 168 of the Local Government Municipal Finance Management Act, 2003 (Act No 56 of 2003) and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs gazette the Municipal Regulations on Standard Chart of Accounts (mSCOA) into effect on 22 April 2014. Municipal SCOA provides a uniform and standardized financial transaction classification framework. Essentially this means that mSCOA prescribed the method (the how) and format (the look) that municipalities and their entities should use to record and classify all legislative reporting. This is done at transactional level and ensures that a municipality and its entities have minimum business processes in place. This will result in an improved understanding of the role of local government in the broader national policy framework and linkage to other government functions.

The Regulations apply to all municipalities and municipal entities and indicate its applicability and relevance to each specific municipal environment while accommodating organizational uniqueness and structural differences. The Regulations provides for a three year preparation and readiness window and all 278 municipalities must be compliant to the mSCOA within its respective financial applications (systems) by 1 July 2017 going forward.

Chapter 6 of the MFMA tasks the municipal Manager of the municipality with managing the financial administration of the municipality. Since mSCOA is a municipal reform the Municipal Manager has the overall responsibility to manage the successful implementation of the mSCOA project within the municipality to ensure the municipality is able to capture all transactions (at posting level) in accordance with mSCOA within its respective financial applications by 1 July 2017.

The Municipal Manager can delegates some of these responsibilities and has tasked the mSCOA Steering Committee in writing, to advise the Municipal Manager and to drive and oversee the successful implementation of the Municipal Regulations on Standard Chart of Accounts in the municipality by 1 July 2017. To fulfill its responsibilities the mSCOA Steering Committee has assigned a Project Manager and mSCOA Project Implementation Team in writing on the rem's set out below.

**Terms of the Project Implementation Team:**

This Terms of Reference is effective from 06/10/2015 and shall continue until satisfactory implementation of mSCOA within the municipality and will only terminate by agreement of the Steering Committee, the Municipal Manager and the municipal council.

**Membership**

The mSCOA Project Implementation Team led by the Project manager who was assigned by the mSCOA Steering Committee of the municipality should be a multi-disciplinary team and include the following functions and skills:

- Finance, budgeting and reporting
- Performance reporting;
- Risk Management/internal audit (as observers only);
- Engineering (project managers)
- Information technology; and
- Human Resources

Representatives of all departments should also be represented on the Project Implementation Team which should be chaired by the Project Manager duly assigned the role in writing. Team members should be assigned in writing and their performance agreements amended to accommodate the responsibilities.

The mSCOA Project Implementation Team of the municipality therefore comprise of the following

NAME:	TITLE:	DEPARTMENT/UNIT	ROLE
JJ Fortuin	Mr	Municipal Manager	Chair/Project Manager
SJ Myburgh	Mr	CFO	Member
F Lötter	Mr	Technical Manager	Member
SJ Van Schalkwyk	Mr	Accountant BTO	Member
C Viljoen	Me	Administration	Secretariat
D Vermeulen	Me	SCM and Expenditure	Member
A Louw	Me	Income	Member
A Gibbons	Mr	IDP Manager	Member
D Malan	Me	HR Manager	Member
AC Haas	Mr	Assets & ICT	Member
W Malgas	Mr	Payroll	Member

**Project Implementation Team Meetings:**

The mSCOA Project Implementation Team should schedule formal meetings at least once a month and compile an agenda and meeting minutes to be maintained as part of the official project records for review purpose.

Team members should prepare for the meetings and contribute within their field of expertise and assigned role to ensure that full compliance is achieved by 1 July 2017.

**Visitors and observers to the mSCOA Project Implementation Team meetings;**

The mSCOA Project Implementation Team may allow visitors/observers to attend their meetings and may invite guests to meetings.

Unless the Team requested a visitor to make presentation(s) relevant to mSCOA implementation any such visitor will only be allowed to attend the meeting in the capacity of an observer.

The following will enjoy a permanent invitation to attend meetings as observers:

- The mSCOA Steering Committee;
- The internal audit function of the municipality;
- The risk management function of the municipality;
- The representative of the Auditor General
- The representative of National or Provincial Treasury; and
- Any other observers agreed and invited by the Team.

**Roles and Responsibilities of the mSCOA Project Implementation Team:**

- The responsibilities of the mSCOA Project Implementation Team are as follows:
- Prepare a mSCOA Project Implementation Plan including the required activities, allocated responsibilities for execution of the plan, assigned deliverables and acceptance criteria, and set timeframes for these deliverables, for submission to the mSCOA Steering Committee for consideration and approval;
- Prepare and maintain a mSCOA Project Risk Register detailing the identified project risks, evaluating these and allocating responsibility including mitigating measures, monitoring of the risk and reporting progress within set timeframes, for submission to the mSCOA Steering Committee for consideration and monitoring;
- Prepare and maintain a mSCOA Project Issue Log detailing the issues which have been encountered, together with the measures which were employed to address the issues and the results and cost thereof;
- To develop a resource plan for the mSCOA implementation project for submission to the mSCOA Steering Committee for consideration and approval;
- Regular reporting of the progress, risk register and issue log to the mSCOA Steering Committee for consideration and key decision making;
- To execute the approved project implementation plan, including but not limited to:
- Assign responsibilities to the Project Implementation Team to execute the plan and deliver all the deliverables documented in the plan;
- Ensure that mSCOA responsibilities are included in the Performance Agreements, Performance Evaluation Templates and other applicable documentation for all team members and other officials as identified by the Project Team,
- Identify and assign officials responsible and accountable for each of the identified risks, who will mitigate these risks and regularly report on progress;
- Monitor and report on progress in terms of each of the deliverables and mSCOA Segments and related project activities, within the implementation team and to the mSCOA Steering Committee; and

- Assist with any risk evaluations, internal or external audit reviews of the mSCOA project.
- Ensure organisational awareness of mSCOA by means of internal workshops, information sharing and feedback across the municipality, the various internal committees and the municipal council;
- Ensure that mSCOA is adopted as a permanent standing item on the senior management meeting (MANCO) agenda for Tracking Progress and Noting Institutional Risk;
- Oversee regular mSCOA risk assessments, development and updates of a mSCOA risk register, and monitor the implementation of mitigating action plans;
- Table a mSCOA progress report, including the updated risk register with the municipal council on a quarterly basis;
- Ensure the municipality's current chart is compared on an account by account level to the Municipal Regulations on a Standard Chart of Accounts (Regulations on mSCOA) (all 7 segments). Any anomalies must be documented and a copy provided to the relevant provincial treasury;
- Ensure the Function Segment of the Regulations on mSCOA classification framework is matched to the current vote and cost centre structures operational in the municipality. Identify and document any anomalies and provide a copy to the relevant provincial treasury;
- Consider the impact of the Regulations on mSCOA on business processes and develop a business process implementation plan to address change, with specific regard to, among others:
- Impact on municipal Functions (Vote Structure, Internal Operational Work Flows, Costing Methodology, etc.)
- Impact on Operational and Capital Projects (Setting Up Project based Budgeting).

***Only once the National SCOA Project Team has concluded their engagement with all systems vendors in the local government sphere and advised the municipality on the appropriate way forward -***

- Ensure the assessment of current Information Technology infrastructure requirements and that any modifications are conducted with implementation plans to address current infrastructure needs;
- Oversee the appointment process for the accounting and other systems' service provider(s) by means of providing input to the bid specification and evaluation processes;
- Review the Service Level Agreement with the successful service provider(s) to ensure that all mSCOA requirements are addressed and value for money is achieved;
- Preparation of a detailed project implementation plan for data conversion and movement to the mSCOA compliant system once the service provider is appointed, with input from all the relevant stakeholders; and
- Facilitate the budgetary planning provisions of mSCOA to ensure that the project is adequately funded for its implementation.



- Foster collaboration between the municipality, service providers, National/Provincial Treasury and other key stakeholders through:
- Engagement meeting(s) with the Service Provider, clarification of roles and responsibilities, and timeframes;
- Finalize the Memorandum of Agreement (MoA) or Service Level Agreement (SLA) for approval by the municipal manager;
- Establish vendor target dates for converting data and implementation - incorporate into the mSCOA project implementation plan;
- Attend and participate in Vendor forums, user groups and progress meetings;
- Monitor the municipality's implementation progress and compliance against the Regulations on mSCOA, National Treasury and Provincial Treasury communications; and
- Ensure that the Project Manager/ municipality maintains ongoing communications with National and Provincial Treasury during the implementation of the project.

**Reporting:**

The mSCOA secretariat will on behalf of the Project Team (with the input from each member of the project team) monthly prepare a written report reflecting in a clear and concise manner the progress against the mSCOA project plan, timeframes and mSCOA risk register. The monthly report must be provided to the municipal manager/project sponsor on/before the **xxx date** of each month. An aggregated report must be compiled for each quarter and submitted to the Municipal Manager/project sponsor on/before **xxx date** of the quarter for tabling to the municipal council.

**Each member of the mSCOA Project Implementation Team commits to:**

- Attend all scheduled mSCOA Project Team meetings and if necessary, with the approval of the Project Manager, nominate a proxy to attend on his/her behalf;
- Make timely decisions and implement the required action plans in order to avoid delays in the project implementation;
- Implement action plans to address issues/obstacles, therefore ensuring the successful implementation of the project;
- Maintain the focus of the Project Team/municipality on the agreed scope, outcomes and benefits;
- Provide monthly/quarterly updates and reports to the Municipal Manager/project sponsor and municipal council on the implementation of the project; and
- To be open and honest and act in the best interest of the municipality in all discussions.

**Rights of members of the mSCOA Project Implementation Team:**

- Each member of the Project Team has the right to be informed of Project Team meetings, in writing and timely;
- Each member of the Project Team has the right to be provided with complete, accurate and meaningful information in a timely manner by respective persons/departments in the municipality relevant to the implementation of the Municipal Regulation on SCOA;
- Each member of the Project Team must be given reasonable time to make key decisions; and
- Each member of the team must be alerted to potential risks and issues that could impact the successful implementation of SCOA, as they arise. It will be the responsibility of the risk owner or any official (for the first time) becoming aware of such risk or issue, to inform the Project Manager/ Administrative Coordinator so that he/ she can inform the Project Team members.

**Meetings of the Project Implementation Team:**

- All meetings of the Project Team will be chaired by the Project manager (insert designation and name );
- There will only be a quorum present at the Project Implementation Team meeting if xx (insert number or % of) members of the mSCOA Project Implementation Team is present/represented;
- The Project Team shall meet, at a minimum, once every week, until complete implementation of the Municipal Regulation on SCOA. As the need arises, the frequency of the meetings may be increased or reduced, as per a formal resolution of the Project Team;
- Decisions will be made by consensus. If not possible, the Municipal Manager/project sponsor shall have the casting vote in determining the final decision of the mSCOA Project Team;
- The secretariat of the mSCOA Project Team will be appointed by the Project Manager and, will be responsible for preparing the agenda, minutes of meetings and supporting documentation;
- The agenda will be set by the secretariat of the mSCOA Project Team in consultation with its team members. Agenda items should be submitted at least one week (to be decided) prior to a meeting unless it is brought to the meeting as an item requiring urgent attention;
- Proposed agenda items should be accompanied by a short description as well as suggested solutions and relevant documentation (if any); and
- Notice of Project Team meetings must be provided in writing xxx working days before each meeting and must include the proposed agenda and the relevant project documentation.

**Code of Conduct of mSCOA Project Implementation Team Members:**

- Members should agree to the written assignment of these duties and diligently perform same to achieve compliance with the regulations;
- Members should act in good faith in the best interests of the municipality at all times;
- Members should promptly complete all assigned duties and tasks;
- Members should compile and submit required documentation and reports timely for review by the Project Implementation Team before submission for approval to the same;
- Members should assist the steering committee in the execution of their oversight duty;
- Members should assist the risk managers, internal and external auditors and provide all records and documentation requested by them for review and oversight purposes;
- Members should actively participate in all forums, training and capacity building initiatives applicable to the execution of this project; and
- Members should be advocates for change across the municipality and share their knowledge and experience in a positive and inspiring way.

**Amendment, Modification or Variation of the Terms of Reference:**

This Terms of Reference may be amended, varied or modified in writing only after consultation and agreement by the mSCOA Project Team members and in consultation with the Municipal Manager/ project sponsor/ mSCOA Steering Committee.

**7.6 CASH / LIQUIDITY POSITION**

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The effective management of cash as well as the maintenance of a cash flow model to ensure that the municipality will fulfil timorously in all its obligations towards service providers, personnel and other financial commitments is vital for both the short- and long-term survival of the municipality. In addition to budget control and management, a cash flow model is maintained to ensure that expenditure is incurred in line with the cash reserves available within the municipality.

**7.7 SUSTAINABILITY**

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The effective continuation of municipal services is determined by the sustainability of the service. The budgets related to the services are balanced in order to ensure that the expenditure will be covered by the income. Said income is generated through the implementation of Council's tariff structure, which is based on affordability. The level of the services is in line with the affordability level of the community it serves. Due to an unemployment level, in excess of 40% there are a substantial number of poor households, which are not financially equipped to pay for the basic services provided. Hence, subsidisation is supplied be means of a differentiated tariff structure in which case the shortfall is financed from the equitable share from national government.

## **7.8 EFFECTIVE AND EFFICIENT USE OF RESOURCES**

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The utilisation of the Municipality's resources is guided by means of standard operating procedures or policy statements provided by the Council.

## **7.9 ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE**

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Since the Municipality's activities are mainly financed from public resources, it remains essential to enable to be accountable by means of various forums and processes. As required by legislation, amongst others the Municipal Finance Management Act, no 56 of 2003, the municipality endeavours to be accountable to all its stakeholders who are responsible for providing resources to the Municipality. The compilation of the Integrated Development Plan as well as the Budget is communicated by means of forum meetings and the ward committee system uphold by Council. Hereby all stakeholders can submit their needs and/or requirements for municipal services. As required by legislation, report back meetings are to be held and Council meetings are open for attendance by any stakeholder. The annual reports, including the annual report from the Office of the Auditor General, are compiled within the prescribed format and timeframes.

## **7.10 REDISTRIBUTION**

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The Municipality endeavour to treat all people in terms of the Batho Pele principles. A basic level of municipal services is available to all the residents, regardless of their own financial capacity. In case where a basic municipal service is not affordable to a resident, it is financed from the equitable share from national government.

## **7.11 DEVELOPMENT AND INVESTMENT**

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Due to the backlogs in basic services, it is essential that the Municipality continue to invest in the development and maintenance of infrastructure to address these backlogs. Council is addressing this matter by means of the Integrated Development Plan as well as the Capital Program.

## **7.12 BORROWING**

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Through the various capital markets as well as other financial institutions, financial resources are available to address the backlog in infrastructure development. It is however, essential that a Loan Redemption Fund be maintained which is substantiated by means of a cash investment, in order to fulfil timorously in debt repayment without extra-ordinary fluctuations in tariffs.

## **7.13 FINANCIAL MANAGEMENT STRATEGIES AND PROGRAMMES**

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The following financial management strategies and programmes were identified and implemented:

#### **7.14 ASSET MANAGEMENT PLAN**

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A computerised bar-coded asset management system is maintained in order to ensure accountable utilization and reporting on assets.

#### **7.15 BUDGETARY OFFICE**

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The establishing of a budget office in terms of the determination of the Municipal Finance Management Act, no 56 of 2003.

#### **7.16 FINANCIAL SCHEDULE**

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The following 2016/2017 monthly budget reporting regulations schedules reflecting the financial status of the municipality are attached<sup>5</sup>.

## **CHAPTER 8: PERFORMANCE MANAGEMENT**

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### **BACKGROUND OVERVIEW**

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Karoo Hoogland Municipality acknowledges the importance of performance management as a key driver to accelerate service delivery and improve accountability in local government. Improving accountability rests on the creating requisite structures, mechanisms and processes to create a culture of accountability and transparency. In this regard the municipality is committed to implementing a performance management system (PMS) that is commensurate with its resources and best suite its circumstances in order to inculcate a culture of performance amongst in its administration.

In fulfilment of the commitment to improve accountability, the municipality has developed a Performance Management Procedure Management (PMPM) to guide the implementation of the PMS through-out the municipal administration. In this regard, the municipality has outlined a process on the development of performance measures, key performance areas (KPAs), key performance indicators (KPIs) and targets to drive performance management. The municipal performance measures will help to formulate simple, measurable, attainable and realistic KPIs and targets for all the strategies and projects identified.

Performance monitoring has always been a major tool in ensuring quality service delivery, however the municipality has not yet cascaded PMS to the lower levels except for the section 57 managers and will fulfil this mandate on the successful implementation of the automated PMS.

### **8.1 PURPOSE**

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The purpose of the framework is to customize the principles and framework of performance management for Karoo Hoogland Local Municipality in order to provide policy measures and practical guidelines for the improvement of organisational and individual performance and service delivery. The Municipal Planning and Performance Management regulations of 2001, sec 7 (1) stipulates that a performance management system (PMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.

### **8.2 SCOPE OF APPLICATION**

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The principles and framework of performance management in Karoo Hoogland Local Municipality applies to section 57 employees as well as other staff categories. Hence

these policy measures are applicable to all employees of the municipalities' employees, subject to the relevant regulatory prescripts. This includes fixed-term contract and permanent employees who are governed by collective agreements stemming from the bargaining council process.

### **8.3 THE CONSTITUTION OF THE RSA, 1996 (ACT 108 OF 1996)**

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The constitution (1996), section 152, dealing with the objects of local government, paves the way for performance management with the requirement for an “accountable government “. The democratic values and principles in terms of section 195(1) are also linked with the concept of, inter alia,: the promotion of efficient, economic and effective use of resources, accountable public administration, to be transparent by providing information, to be response to the needs of the community, and to facilitate a culture of public service and accountability amongst staff.

### **8.4 THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (ACT 32 OF 2000)**

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The major PMS policy instruments is the 1998 White Paper on Local Government supported by the Batho Pele Principles, which policies was given legal stature through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000).

The Act in reference requires the municipalities to:

- Develop a performance management system
- Set targets, monitor and review the performance of the municipality based on indicators
- Linked to their Integrated Development Plan (IDP).
- Publish an annual performance report on performance of the municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
- Conduct, on a continuous basis, an internal audit of all performance measures.
- Have their annual performance report audited by the Auditor – General.
- Involve the community in setting indicators and targets and reviewing municipal performance.
- The municipality must compile an annual report, which must include a performance report compiled in terms of the Systems Act.

### **8.5 LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, 1998 (ACT 117 OF 1998)**

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- The needs of the community.
- Its priorities to meet those needs.
- Its processes for involving the community.
- Its organisational and delivery mechanisms for meeting the needs of the community; and
- Its overall performance in achieving the objectives referred to in subsection.

- Municipal Council must further develop mechanisms to consult the community and community Organisations in performing its functions and exercising its powers.

## **8.6 THE MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS (NO 796, 24 AUGUST 2001)**

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The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal performance management systems. Each component of the proposed framework in this document is strongly informed by the Regulations.

The Regulations deal with provisions for the following aspects of the Performance Management System:

- a) The **framework** that describes and represents the municipality's cycle and processes for the Performance management system and other criteria and stipulations, and the adoption of the Performance Management System;
- b) The setting of **performance targets**, and the monitoring, measurement and review of performance;
- c) **Internal Auditing** of performance measurements;
- d) **Community participation** in respect of performance management.

## **8.7 REGULATIONS FOR MUNICIPAL MANAGERS AND MANAGERS REPORTING DIRECTLY TO MUNICIPAL MANAGERS, 2006**

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The regulation describing the process of how the performance of municipal managers will be, describing the process of how the performance of municipal managers will be uniformly directed and monitored. They address the job description, employment contract, as well as the performance agreement that is to be entered into between respective municipalities, municipal managers and managers directly accountable to municipal managers.

## **8.8 THE MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003**

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It requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with the service delivery targets and performance indicators. Whilst considering and approving the annual budget the municipality must also set measurable targets for each revenue source and vote. In terms of a circular issued by National Treasury, provision is also made to the compilation on an annual basis of department SDBIP'S.

## **8.9 BATHO PELE (1998)**

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The White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight Principles for good public service that should be encapsulated in a municipal performance management system, namely;



- a) Consultation:** citizens should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services that are provided.
- b) Service standards:** citizens should know what standard of service to expect.
- c) Access:** all citizens should have equal access to the services to which they are entitled.
- d) Courtesy:** citizens should be treated with courtesy and consideration.
- e) Information:** citizens should be given full and accurate information about the public services they are entitled to receive.
- f) Openness and transparency:** citizens should know how departments are run, how resources are spent, and who is in charge of particular services.
- g) Redress:** if the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response.

**“Importantly, the Batho Pele White Paper notes that the development of a service-oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilised to assist in building a service culture”-**  
*The White Paper on Local Government (1998).*

## 8.10 OBJECTIVES OF THE PERFORMANCE MANAGEMENT FRAMEWORK

The objectives of institutionalising Performance Management System, beyond the fulfilling of legislative requirements, is to serve as a primary mechanism to monitor, review and improve the implementation of the municipality's IDP. In doing so, it should fulfil the following functions:

- Achieve sustainable improvement in service delivery,
- To promote a culture of performance management among its political structures, political
- office bearers and councillors and its administration,
- To administer municipal affairs in an economical, effective, efficient and accountable manner,
- To align employee's performance to the departmental strategic and operational goals,
- To provide a systematic framework for performance planning, performance monitoring and review and performance appraisal.
- To promote a shared sense of responsibility amongst staff for the achievement of strategic goals and objectives
- To promote a culture of transparency and participation through open dialogue about goals and the achievement thereof, personal development, and performance improvement,
- To encourage managers to effectively create conditions for staff to perform optimally,
- To provide a framework of assessment for identifying good and poor performance and to act appropriately through development and the recognition and rewarding of good performance and Encourage and reward good performance

### **8.11 INITIALIZING THE PMS**

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Initialising a PMS in Karoo Hoogland Municipality is a phase that involves the development of a framework within which performance management process will happen. It involves where performance management starts and what should be done to make it work as outlined in the figure below:

### **8.12 DELEGATION OF RESPONSIBILITIES**

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Municipal Systems Act of 2000, no 32 of 2000(sec 39) dictates apart from establishing a PMS system, how a municipality must develop and manage the system. The Act as in section 39 identifies the role-players that are mainly responsible for managing the system. “The executive committee or executive mayor of a municipality or, if the municipality does not have an executive committee or an executive mayor, a committee of councillors appointed by the municipal council must:

- a) Manage the development of performance management system;
- b) Assign responsibilities in this regard to the municipal manager, and
- c) Submit the proposed system to the municipal council for adoption”.

The Mayor is responsible for overseeing the implementation of the PMS of the municipality. The Mayor of Karoo Hoogland Local Municipality therefore must officially delegate the relevant responsibilities to the Municipal Manager.

### **8.13 DEVELOPMENT OF THE PMS**

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The Processes for developing PMS involves the assessment of how planning, implementation and monitoring and the gaps of IDP and PMS are dealt with.

### **8.14 RELATIONSHIPS BETWEEN IDP AND PMS**

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The Integrated Development Planning process and the Performance Management Process should appear to be seamlessly integrated. Integrated development planning fulfils the planning stage of Performance Management System. Performance Management System fulfils the implementation management, monitoring and evaluation of the IDP process.

### **8.15 ASSESSMENTS**

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The municipality/council need to conduct assessment on how planning, implementation and monitoring happen within the municipality; this will assist to identify gaps in terms of IDP and the requirements of the performance management.

### **8.16 CREATING STRUCTURES FOR PUBLIC PARTICIPATION**

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Karoo Hoogland Municipality will use the IDP Representative Forum as the structure for Stakeholder participation in Performance Management System. As far as possible; the Performance Management structures for Municipality should be the same as those of the IDP.

### **8.17 PUBLICATION OF THE SYSTEM**

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After the reviewed of the framework the municipality shall take the framework to the public for public comments together with the key performance indicators and targets in accordance with its Integrated Development Plan. This shall be done before the commencement of the financial year and also as part of the publication of the IDP review document of the following financial year.

### **8.18 ADOPTION OF THE SYSTEM**

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Public comments will be taken into consideration when adopting the final system. Following the incorporation of the public comments into the draft system, the final draft should be prepared for submission to Council. The Council should adopt the system when it is satisfied that the process was handled in accordance with the legislation and the proposed system complies with the requirements of the law.

### **8.19 PRINCIPLES GOVERNING PERFORMANCE MANAGEMENT**

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The following are principles that inform the development and implementation of Performance Management System in Municipality.

#### **8.20 SIMPLICITY**

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The system must be simple and user friendly that will assist the municipality to operate within the capacity of its financial, human resources and information management system.

#### **8.22 POLITICALLY DRIVEN**

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The above legislation clearly tasks the municipal council and the mayor as the owner of the PMS while the Executive management drive the implementation and improvement of the system.

#### **8.23 TRANSPARENCY AND ACCOUNTABILITY**

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Members of the organization whose performance will be monitored and measured must ensure that the process of managing performance is inclusive open and transparent. This can only be achieved by taking effective participation in the design and implementation of the system within the municipality. Again, the process must involve and empower communities so that they are able to understand how the municipality and its departments are run, how resources are spent, and who is in charge of particular services. Similarly,

all information on the performance of departments should be available for other managers, employees, the public and specific interest groups.

## **8.24 INTEGRATION**

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The performance management system should be integrated into other management processes in the municipality, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool to the ongoing management functions.

## **8.25 OBJECTIVITY**

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The system should be clear without any ambiguity; i.e. state what need to be measured to enhance objectivity and credibility.

## **8.26 SETTING MEASURES AND TARGETS**

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The setting of measures and targets happens during the IDP process and is linked to the strategic objectives of the IDP. Performance measures and targets are used to show how the Municipality is performing on its objectives. This stage comprises setting measures and targets, and then gathering data and information on these measures to assess the progress of the Municipality. Performance measurement allows Municipalities to compare their actual performance to their intended performance, and against nationally defined minimum standards. It will also, in time, allow for the comparison of their performance against that of other Municipalities.

## **8.27 PERFORMANCE PLANNING**

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The performance of the Municipality is to be managed in terms of its IDP and the process of compiling an IDP and the annual review thereof constitutes the process of planning for performance. It should be noted that the last component of the cycle is that of performance review and the Outcome of such a review process must inform the next cycle of IDP compilation/review by focusing the planning processes on those areas in which the Municipality has underperformed.

## **8.28 PERFORMANCE MEASUREMENT**

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Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each key performance indicator and against the target set for such indicator. The setting of measures and targets happens during the IDP process and is linked to the strategic objectives of the IDP. To ensure the integrity of the targets set, baseline information based on backlog and current performance should be used as the basis for setting sound measures and targets. Performance measurement allows the Municipality to compare their actual performance in relation to backlog and current performance.

## **8.27 PERFORMANCE MONITORING**

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Performance monitoring is an ongoing process by which a Manager accountable for a specific indicators set out in the organizational scorecard and a service delivery target contained in a SDBIP continuously monitors current performance against targets set. The aim of the monitoring process is to take appropriate and immediate interim (or preliminary) action where the indication is that a target is not going to be met by the time that the formal process of performance measurement, analysis, reporting and review is due.

## **8.28 PERFORMANCE ANALYSIS**

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Performance analysis involves the process of making sense of measurements. It requires interpretation of the measurements as conducted in terms of the previous step to determine whether targets have been met and exceeded and to project whether future targets will be met or not. Where targets have not been met performance analysis requires that the reasons therefore should be examined and corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organizational learning.

The analysis of the organizational and SDBIP scorecards by management should also ensure that quality performance reports are submitted to executive Committee and that adequate response strategies are proposed in cases of poor performance. Only once management has considered the scorecards, agreed to the analyses undertaken and captured therein and have reached consensus on the corrective action as proposed, can the organizational and SDBIP scorecards be submitted to council for consideration.

## **8.29 LEVEL**

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The organizational performance management system can be defined as the planning process whereby the organization set the strategic agenda, vision and mission, as well as strategic objectives for the upcoming financial year/s, and the desired performance results.

## **8.30 PLANNING**

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The Integrated Development Planning (IDP) process and the Performance Management Process should appear to be seamlessly integrated. The IDP fulfills the planning stage of performance management. Performance management fulfills the implementation management, monitoring and evaluation of the IDP process.

## **8.31 PRIORITY SETTING**

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In setting priorities municipality should consider the following:

- An assessment of development in the municipal area, identifying development challenges, marginalized and vulnerable citizens and communities
- A long term development vision for the municipal area that overcomes its development challenges
- A set of delivery priorities and objectives, based on identified needs, achievable in the current term of office, that would contribute significantly to the achievement of the development vision for the area
- A set of internal transformation strategies, priorities and objectives, whose achievement would
- enable the delivery and the realization of the development vision
- Additional projects identified in contributing to the achievement of the above objectives
- A financial plan and medium term income and expenditure framework that is aligned to the priorities of the municipality
- A spatial development framework
- To be useful in the management of performance, the IDP must provide very clear Objectives, indicators by which to measure the achievement of the objectives and unambiguous targets for those indicators.

**The Karoo Hoogland Municipality's Draft Revised Integrated Development Plan (IDP) was prepared in terms of the Municipal Systems Act (Act 32 of 2000) and is hereby approved by Karoo Hoogland Municipal Council of:**

**Council Resolution: 7.3**

**Date: 30 May 2018**

**Duly authorized Representative of the Municipality Mayor VC Wentzel**

### **7.3 REVISED & FINAL IDP 2018/2019**

**RESOLVED:**

- a. That Council takes note of the prioritized projects;
- b. That Council take note of the Report for the overview of the Budget and IDP Process and the alignment of the Budget with the IDP;
- c. That Council takes note of the measurable performance objectives and indicators set in the IDP;
- d. That Council approves the IDP 2018/2019;
- e. Council approves the WSDP 2018/2019 IDP Output as part of the Final IDP 2018/2019 that was available during the Council Meeting;
- f. That Council approves the Commonage Policy with effect from 1 June 2018 which includes the changes made by Council during their workshop on 29 May 2018;

Proposed by            Councillor J Jooste  
Seconded by        Councillor G Klazen